

## CITY OF SHELBY

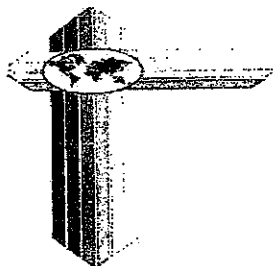
112 First Street South

Shelby, MT 59474

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FAX: (406) 434-2039

[www.shelbymt.com](http://www.shelbymt.com)



Mayor: Larry J. Bonderud  
Council: Cindy Doane, Eugene Haroldson,  
Harvey Hawbaker, Lyte Kimmet,  
Don Lee, John "Chip" Miller, Jr.  
Attorney: William E. Hunt, Jr.  
Bldg Inspector/Planner: Jim Yeagley  
Finance Officer: Teri Ruff  
Judge: Sherrie Murphy  
Superintendent: Bill Moritz  
Community Development: Lorette Carter

November 21, 2011

Mr. Daniel Heffernan  
Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

Dear Mr. Heffernan:

Enclosed please find an application for a Brownfields Hazardous Substance Cleanup Grant for the City of Shelby, Montana for the historic Rainbow Hotel. The City acquired the abandoned historic hotel in February of this year to facilitate the redevelopment of the property. However, environmental concerns have hampered renewal efforts. The site is intended for housing and commercial development, but cleanup funds are critical to move forward on this project.

Application information area as follows:

- a. Applicant Identification: City of Shelby, Montana  
112 1<sup>st</sup> St. So.  
Shelby, MT 59474
- b. Applicant DUNS Number: 098708688
- c. Funding Request:
  - i) Grant Type: Cleanup Grant
  - ii) Funds Requested: \$200,000.00 with no waiver requested
  - iii) Contamination: Hazardous Substances
- d. Location: Shelby, Montana
- e. Site Specific Address: Rainbow Hotel  
401 Main Street  
Shelby, MT 59474
- f. Contacts:
  - i) Project Director  
Larry J. Bonderud, Mayor  
112 1<sup>st</sup> St. So.  
Shelby, MT 59474  
Phone: (406) 434-5222 Fax: (406) 434-2039  
E-mail: [larry@shelbymt.com](mailto:larry@shelbymt.com)

ii) Chief Executive Director:

Larry J. Bonderud, Mayor

112 1<sup>st</sup> St. So.

Shelby, MT 59474

Phone: (406) 434-5222 Fax: (406) 434-2039

E-mail: [larry@shelbymt.com](mailto:larry@shelbymt.com)

g. Date Submitted:

November 21, 2011

h. Project Period:

July 1, 2012 to June 30, 2015

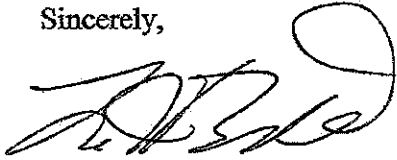
i. Population:

i) General Population: Shelby – 3,376

Toole County – 5,324

On behalf of the community of Shelby, we thank you for your consideration of this very worthwhile project now and for generations to come.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry J. Bonderud', with a large, stylized loop at the end.

Larry J. Bonderud, Mayor  
City of Shelby

**CITY OF SHELBY, MONTANA**  
**APPLICATION TO U.S. ENVIRONMENTAL PROTECTION AGENCY**  
**FOR A HAZARDOUS SUBSTANCE CLEANUP GRANT**  
**HISTORIC RAINBOW HOTEL**

**November 28, 2011**

**RANKING CRITERIA FOR CLEANUP GRANTS**

**1. Community Need**

***a. Health, Welfare and Environment***

The mission of the frontier community of Shelby, Montana is to create a vibrant community characterized by economic diversity, appropriate housing and transportation, recreation opportunities and safety for all citizens. Currently, the City of Shelby is remediating a former petroleum refinery site. To date over 35,000 tons of petroleum contaminated soil have been removed from the 20 acre footprint. Work continues on the former refinery site as it poses a threat to those neighboring property owners and those accessing the property. The City has also identified a former school abandoned in 2003. A Phase I Assessment on the property indicated asbestos and lead-based paint contamination in the 20,775 square foot building. Located in a residential neighborhood, risk of exposure of friable substances is a constant threat. The City of Shelby has also been proactive in assisting homeowners with rehabilitation. Many of the homes in Shelby date pre-1978 for lead-based paint concerns. The City has assisted in LBP determination and measures to abate these homes and make them safer for families.

Priority for the City of Shelby is the Rainbow Hotel. The abandoned Rainbow Hotel is a blighting influence in the Main Street business district. Vandalism has further negatively impacted the property. The three- story, 14,000 square foot building has been assessed with contamination of asbestos, lead-based paint and mold identified within the building. The building sits at a well-traveled corner of the Shelby Main Street business district. A threat to those children and adults who may venture onto the property unaware of the threat, the hotel has a tremendous negative impact within the community. Shelby has a large number of households with children with nearly 25%\* of households including individuals under the age of 19. This sensitive population is at risk for exposure to these hazardous substances and more likely to venture into the abandoned building. \*U.S. Census Bureau 2005-2009

The Rainbow Hotel has the potential for redevelopment creating new business; increase job opportunities; and becoming the proud cornerstone of Shelby's business district as it once was. The remediation project will temporarily employ an estimated 10-12 people. The revitalized project has the capacity to permanently employ dozens more in the retail and commercial space

created. Left unaddressed, the site will continue to contribute to blight on Shelby's Main Street, detracting from business opportunity and creating a tremendous eyesore to the community. At the same time, the property will continue to cost the taxpayer money to protect the public from environmental threat and safety.

***b. Financial Need***

The economic impact of properties such as the Rainbow Hotel adversely affects employment, investment and property values. Our small, rural community, population of 3,376, relies heavily on agriculture and oil and gas production for economic viability. In past years, land values have deteriorated and oil and gas activity declined, leaving the community to feel the effects of their tremendous impact. Many hard working individuals have lost employment; having to relocate and many more sought second jobs to sustain and provide for their families. The unemployment rate of 5.1% is relatively low in comparison with the state average of 7.7% and 9.6% nationally, but the available jobs are low to medium wage jobs and as stated above, many are second jobs. The Toole County poverty rate of 16.5% (Montana – 15%), more accurately reflects the tremendous need in the community for economic development through new job creation and retention of good paying jobs. The trickle- down effect of these factors has negatively impacted main street businesses further distressing the community. All these factors in which we have no control have city and county officials searching for economic diversification to strengthen and fortify the economic base, providing revenue, employment opportunities and taxable value for the benefit of all citizens.

As indicated earlier, the City of Shelby is currently remediating the former Shelby Petroleum Refinery site. The grant funding was very generous, but in no way enough to complete the cleanup. The City has sought additional funding from the Montana Department of Natural Resources, but the city has had to incur tremendous costs above and beyond grant funding. The City of Shelby does not have the financial resources to take on a project like the Rainbow Hotel without Brownfields funding. Remediation of properties such as the Rainbow Hotel competes with many other priorities of the City of Shelby. With our small rural population and tremendous financial demands for infrastructure and services, Shelby relies on the generosity of granting sources such as this to complete vital community projects such as this.

	Shelby	Toole County	Montana	National
Population:	3,376	5,324	989,415	308,745,538 <sup>1</sup>
Unemployment:	Not available	5.1%	7.7%	9.6% <sup>2</sup>
Poverty Rate:	Not available	16.5%	15.0%	14.3% <sup>3</sup>
Percent Minority:	Not available	3.8%	10.5%	26.7% <sup>1</sup>
Per Capita Income:	Not available	\$37,396	\$34,004	\$26,530 <sup>3</sup>
Other:				
<sup>1</sup> Data is from the 2010 U.S. Census data and is available at <a href="http://www.census.gov/">http://www.census.gov/</a> .				
<sup>2</sup> Data if from the Bureau of Labor Statistics and is available at <a href="http://www.bls.gov">www.bls.gov</a> .				
<sup>3</sup> Data is from the 2009 American Community Survey and is available at <a href="http://census.gov/newsroom">http://census.gov/newsroom</a>				

## **2. Project Description and Feasibility of Success**

### ***a. Project Description***

i) The Rainbow Hotel was built in 1923. Originally built with two stories, local historians believe the third floor was added shortly after news spread of the impending World Heavyweight Championship Fight taking place in Shelby on July 4, 1923. The Rainbow Hotel maintained a steady business providing lodging for travelers, railway employees, businessmen and visitors to Shelby through the years. Increased competition from newer, modern hotel facilities, the Rainbow closed in the early 1990's. Once the centerpiece of a thriving "oil" town, the Rainbow Hotel has been sadly neglected with a failing roof, broken windows and deteriorating interior. The intent of the City of Shelby is to complete renovation of the historic hotel in phases in accordance with historic preservation guidelines and as funding becomes available as part of the city's Main Street revitalization efforts. In the last several years, the City of Shelby completed a business district assessment and next steps plan for redevelopment. Within The Next Steps Plan for Downtown Redevelopment, a redesign component was included maintaining the integrity and original design of the historic building and a cost feasibility analysis to encourage private development. Since that time, the City of Shelby has been awarded HUD Special Project funding to purchase and begin stabilization of the building. Stabilization included a new roof and window fill-ins. The City has also completed a Phase I and Phase II Environmental Assessment through generous support of HUD Special Project funding and a Targeted Brownfields Assessment. **(Attachment E - Next Steps Plan for Downtown Redevelopment)**

The Rainbow Hotel is a cornerstone of Shelby business district. It is at the center of downtown, the heart and soul of the community. It is a living testament to the city's history, its successes and failures and an indicator of the community's economic and social health. The Rainbow Hotel's appearance and vitality are economic bellwethers and a reflection of the larger community as a whole.

ii) As part of the next phase of revitalization, the City is seeking Brownfields funding to address the hazardous substances present within the building. Asbestos has been identified in 10 materials at concentrations greater than 1% in various locations. Also present is concentrated lead-base paint found on the exterior front door and windows which have been encapsulated with aluminum storm windows. Of greatest concern is the mold which is widespread within the building. Description, quantities and sampling information are included within the Phase II Environmental Site Assessment. The City of Shelby has initiated institutional controls in constructing a new roof and filling-in all windows and exterior doors eliminating unwarranted access to the property ensuring a level of safety to the community. Clean-up plans include abatement and removal work to be conducted with current applicable federal standards and EPA guidelines as no federal cleanup standard has been established for mold to date. The work plan will also include collaboration with the State of Montana Historic Preservation Office in the planning phase.

Several entities have approached the City on the potential for creation of office space and/or condominium apartments on the upper floors and the addition of a restaurant or business in the street-level lobby. The City of Shelby feels its responsibility for quality, environmentally sensitive respect to existing neighborhoods and the historic integrity providing protection and enhancement while adding to the public realm. Through long-term preservation of buildings like the Rainbow Hotel, the community hopes to protect and archive the community's cultural heritage, making it available for access now and for future generations.

***b. Budget for EPA Funding and Leveraging Other Resources***

Budget Categories	Project Tasks				
	Task 1. Engineering Oversight & Reporting	Task 2. Asbestos Abatement	Task 3. Lead-based paint abatement	Task 4. Mold Corrective Action	Total
Programmatic Costs					
Personnel					
Fringe Benefits					
Travel					
Equipment					
Supplies					
Contractual	20,000.00	24,000.00	16,000.00	140,000.00	200,000.00
Other: Disposal		3,000.00	1,000.00	37,000.00	41,000.00
<b>Total</b>	<b>20,000.00</b>	<b>27,000.00</b>	<b>17,000.00</b>	<b>177,000.00</b>	<b>\$241,000.00</b>
<b>Cost Share</b>		<b>\$3,000.00</b>	<b>\$1,000.00</b>	<b>\$37,000.00</b>	<b>\$41,000.00</b>

**Task 1: Engineering Oversight & Reporting-** This task includes the generation of bid specification documents to ensure the remediation is conducted in accordance with approved remedial work plan and all applicable procurement regulations. Engineering oversight includes abatement planning, field supervision and post-remediation sampling and required reporting. These activities will be conducted by a qualified environmental engineering consultant, competitively retained in accordance with proper procurement regulations as per 40 CFR 31.36.

**Task 2: Asbestos Abatement** – This task includes remediation and abatement for media containing asbestos. These activities include mobilization of certified contractors; removal of ceiling drywall; linoleum floor tiles; mastics; roofing felt; and transite panels identified. Proper disposal of ACM is included in the cost estimate with landfill fees and assistance in hauling is included as part of the city's match requirement.

**Task 3: Lead-based Paint Abatement** – This task includes removal or encapsulation of windows and doors affected with lead-based paint. Proper disposal of LBP materials is included in the cost estimate with landfill fees and assistance in hauling included as part of the city's match requirement.

**Task 4: Mold Corrective Action** – This task will entail the removal of an estimated 355 cubic yards of mold contaminated surfaces including ceiling sections; non-load bearing walls, lath, plaster & studs; and carpet and padding. All renovation activities will comply with EPA guidelines during the renovation and removal. Proper disposal is included in the cost estimate with landfill fees and assistance in hauling included as part of the city's match requirement.

## **ii) Tracking**

The City of Shelby will maintain a record of accomplishments and critical metrics to gauge the success of the project. As part of the tracking program, the following will be recorded during the grant life. The outputs anticipated through the grant include:

- tons of contaminated materials removed;
- documentation of hauling and disposal;
- the Remedial Action Report; and
- "No Further Action" letter to document the cleanup of the site.

The outcomes associated with these outputs include:

- funds leveraged for redevelopment of the site;
- temporary cleanup and construction jobs created; and
- anticipated redevelopment plans.

The City of Shelby will continue to monitor these measures throughout the implementation of this project and report on them regularly through Brownfields quarterly and final reporting.

### **iii) Leveraging:**

The City of Shelby has been very successful in leveraging funds to complete remediation and begin redevelopment of numerous brownfield sites within the community. Over the years, the community has utilized county general funds to address contamination and redevelopment of the former Toole County Hospital and Montana Job Service office. The old hospital has now become an assisted living/retirement facility and city office space, while the job service space is now the offices of the Toole County Health Department. The City has also assisted property owners of vacant service stations and fuel distributors with Class II landfill use and clean fill materials for the remediated sites. Today, these remediated properties have become open green spaces, a city park, a banking institution, retail business and other properties generating numerous job opportunities, thousands in additional tax revenues and many more dollars distributed through the community in construction jobs and secondary jobs created.

Most recently the City has leveraged funds utilizing Historic Preservation funding and Energy Efficiency Conservation Fund granting to continue work on the historic Shelby High property. The City is working to create a multi-faceted community center in the abandoned school property.

A Targeted Brownfields Assessment and EPA Brownfields funding was leveraged to receive Department of Natural Resources and Conservation Resource Development granting for the former Shelby Petroleum Refinery. The site will soon be developed for commercial use.

Montana Department of Commerce HOME Rehabilitation funding and public funds has been leveraged to assist local homeowners in rehabilitation and weatherization home projects throughout the community.

As a rural frontier community, we have been very fortunate in leveraging funds, but we cannot overstate the great importance EPA Brownfields funding has been in initiating these critical projects. A Phase II Environmental Site Assessment, HUD Special Project Funding and city funds have all been leveraged with the Rainbow Hotel project thus far. The City will seek additional funding through historic preservation funding; historic tax credits; and other state/federal funding



opportunities that may present themselves. The City will also seek private sector investment in revitalization of the Rainbow Hotel.

***c. Programmatic Capability and Past Performance***

**i) Programmatic Capability**

The City of Shelby is a legally incorporated entity in the State of Montana, pursuant to Section 7.5.201, MCA. As such, the City of Shelby has the legal jurisdiction and authority to finance, operate and maintain community property and services. At the same time, the City has successfully managed well over \$80 million in grants and loans over the past two decades with no adverse audits. The City of Shelby was also successful in the awarding of an EPA Brownfields Cleanup Grant for the historic Shelby High School and former Shelby Petroleum Refinery. The grant process has helped the City gain invaluable knowledge and expertise in relation to Brownfields funding and performance guidelines.

The City will again follow the competitive procurement provisions of 40 CFR 31.36 for engineering design and oversight if grant funding is awarded for the hotel site. The City continues to work closely with the Montana Department of Environmental Quality and EPA in the completion of the cleanup project. The City of Shelby will also follow all the requirements of implementing the environmental cleanup with completion of a work plan and time frame for completion. Progress will be tracked and measured in the Administrative Record; and all EPA reporting requirements /deliverables. The City will oversee and track the project to achieve the expected outputs and outcomes in a timely, efficient manner.

**ii) Adverse Audits**

The City of Shelby has not experienced adverse audit findings in relation to administration of the city's grants including reporting and expenditure of funds.

**iii) Past Performance**

As stated earlier, the City of Shelby was awarded a 2005 EPA Brownfields Cleanup Grant for the remediation and removal of hazardous substances (asbestos and lead-based paints) in the historic Shelby High School. The project was successfully completed in 2007. The City has also expended all 2009 Brownfields Cleanup Grant funding for remediation of petroleum hazardous substances at the Shelby former petroleum refinery. Close-out of this grant will be obtained when the Montana Department of Environmental Quality signs off on the completed remediation project.

The City has successfully completed and managed numerous state and federal grants and loan packages within the prescribed time periods valued at well over \$80 million in the last two decades. Included in those are grants and loans for our local hospital, water and sewer

infrastructure, fire trucks and equipment, infrastructure for the Crossroads Correctional Center, housing rehabilitation and programs and projects that improve the lives of the residents of Shelby.

**1. Currently or Has Ever Received an EPA Brownfields Grant**

The City of Shelby has been very fortunate to have received 2 EPA Brownfields grant funding awards. In 2005, the City received funding to address the asbestos and lead-based paint in historic Shelby High, an abandoned school the city is converting to a multi-faceted community center. Most recently a new boiler, roof and insulation have been installed in the building. The City, in 2007 received Brownfield monies for petroleum remediation at the former Shelby Petroleum Refinery site. The City also received DNRC Resource Development funding and has recently begun Phase II of contaminant removal at the site. The intent of the property is private sector investment. A local concrete batch plant will purchase the property to move their current operation out of a residential neighborhood of Shelby. The City of Shelby has had no adverse audit findings in relation to these Brownfields Grant awards.

**2. Has Not Received an EPA Brownfields Grant but Has Received Other Federal or Non-federal Assistance Agreements**

Not Applicable.

**3. Community Engagement and Partnerships**

***a. Plan for Involving the Affected Community***

Public notice for the required public meeting to present the cleanup grant proposal was published in the Shelby Promoter local newspaper, two weeks prior to the public meeting. Documentation is included in Attachment B with the Analysis of Brownfields Cleanup Alternatives included as Attachment D. The City of Shelby held a public meeting in conjunction with the regular city council meeting on November 7, 2011 to inform the community of the project; seek input and direction; and discuss any questions or concerns the public may have. No public comments were received but many citizens have expressed their interest in this Main Street revitalization project. **(Attachment D- Analysis of Brownfields Cleanup Alternatives)**

If funding is awarded, the City will develop a Community Relations Plan (CRP) to address the needs and concerns of Shelby residents potentially affected by the proposed removal of environmental contamination at the site. The CRP will outline how the City has involved and will continue to involve residents, local officials, and organizations and interested groups in the decision-making process regarding the environmental cleanup at the site. Residents have been and will continue to be notified of cleanup plans through public service announcements in the Shelby Promoter; our weekly newspaper, KSEN/K96 Radio, Mayor Bonderud's weekly radio

program and the City of Shelby newsletter (distributed to every household) and website [www.shelbymt.com](http://www.shelbymt.com) . Residents are always given the opportunity to comment at public meetings, send comments to City Hall, or visit personally with Mayor Bonderud about their concerns or questions regarding the City's Brownfields projects. Through all these media resources, the City of Shelby will make every effort to communicate to all residents including those with language barriers. The City of Shelby uses multi-media sources in which to allow all citizens the opportunity to learn about the project; comment and respond to concerns. The City of Shelby ensures all citizens have equal access to the information.

#### ***b. Partnerships***

Because of our rural nature, there are limited resources in terms of entities with which to partner. The community of Shelby is in contact with the Toole County Health Department in regard to the potential remediation project. The City has collaborated with state and regional environmental agencies on previous Brownfields projects and will do so with this project as well. The City has already partnered with Region 8 EPA and Montana Department of Environmental Quality in the completion of the Target Brownfield Assessment of the site and will continue working in collaboration as the project moves forward.

#### ***c. Key Community-based Organizations***

Several organizations have offered expertise in regard to this revitalization effort and many more, their support of the City's efforts to revitalize the Rainbow Hotel. Contacts for these organizations are as follows:

- Great Falls Development Authority: Brett Doney, President/CEO, P.O. Box 949, Great Falls, MT 59403. Phone: 406.771.9020
- Sweetgrass Development: Tony Sitzmann, President, 521 1<sup>st</sup> Ave. NW, Great Falls, MT 59404. Phone: 406.454.6903
- Montana State Senator District 14: Llew Jones, 1102 4<sup>th</sup> Ave. SW, Conrad, MT 59425. Phone: 406.444.4800
- Marias Medical Center: Mark Cross, CEO, P.O. Box 915, Shelby, MT 59474. Phone: 406.434.3200
- Marias River Electric: Mark Grotbo, General Manager, P.O. Box 729, Shelby, MT 59474. Phone: 406.434.5575
- Shelby Area Chamber of Commerce: Audie Bancroft, Executive Director, P.O. Box 865, Shelby, MT 59474. Phone: 406.424.8799
- Shelby Merchants Association: Dawna Widmar, President, 323 Main Street, Shelby, MT 59474. Phone: 406.434-5301

- Port of Northern Montana: Larry Bonderud, Executive Director, 112 1<sup>st</sup> St. So., Shelby, MT 59474. Phone: 406.434-5203
- Toole County Commissioners: Alan Underdal, 226 1<sup>st</sup> St. So., Shelby, MT 59474. Phone 406.424.8310
- Toole County Economic Development: Deb Brandon, Director, P.O. Box 246, Shelby, MT 59474. Phone: 406.424.8403
- Vicki Dugger: Planner and Downtown Development Specialist, Villa Nueva Community Building, P.O. Box 25181, Albuquerque, NM 87125. Phone: 505.764.0359 Ext. 110

**(Attachment C – Letters of Support)**

**4. Project Benefits**

***a. Welfare and/or Public Health***

Addressing the Rainbow Hotel, a brownfields site within Shelby will have tremendous benefit to the entire community. As a small, frontier community and the central location of the contaminated site, all residents can be considered a sensitive population. The site currently poses a potential health hazard as long as contamination remains unaddressed. Airborne asbestos fibers present a human health hazard, as does the release of lead chips, dust from lead-based painted surfaces and mold growth. Addressing these public health and welfare concerns is priority in the renovation and revitalization of the historic hotel. Human health must be protected by removal or proper control of the hazardous conditions that are present. A clear and well defined work plan, including estimated costs and a timeline based on the Phase II Environmental Site Assessment will be initiated in order to ensure the health and wellbeing of the community as a sensitive population.

All abatement activity will be conducted by certified contractors. Disposal of abatement and/or demolition waste will adhere to state and federal regulations. Completion of abatement activities will be monitored and certified by the engineering consultants with final reporting to state and regional environmental agencies identified.

***b. Economic Benefits and/or Greenspace***

i) The Rainbow Hotel revitalization project has tremendous potential in private sector investment; job creation and retention; housing construction; expanded tax base; greenspace adoption; and increased property values. The remediation and redevelopment of the site will remove the blighting influence and create an environment fitting of a vital, productive Main Street business community. It will provide the base for private sector investment, creating and retaining current jobs. Creation of as little as 10 jobs within a frontier community such as Shelby is noteworthy. Small competitive firms make indispensable contributions to a community. They provide the backbone for all rural communities. The revitalization effort will also have the

potential to increase housing stock. Lacking safe, efficient homes within our community, the Rainbow has the potential to provide quality housing within walking distance to retail shopping, entertainment, government offices and public transportation. The project will also serve to improve the softscape and greenspaces along Main Street Shelby creating an inviting and welcoming Main Street business district. The project will ultimately improve the tax base and property values for the benefit of the entire community.

ii) The historic Rainbow Hotel will also benefit the community in its historic preservation. Historic designation will create opportunity for historic preservation tax credits in the development phase. The project will then have the potential as an avenue for increased tourism revenue. History buffs, heritage and cultural enthusiasts and the public in general will have the opportunity to learn of the hotel's colorful beginnings, robust life and its role in Shelby's development. Literature and marketing will be available as a property listed on the National Historic Register attracting visitors to Shelby and the surrounding region.

***c. Environmental Benefits from Infrastructure Reuse/Sustainable Reuse***

Preservation of the historic Rainbow Hotel will provide tremendous environmental benefit. It is estimated that demolition of this grand building would cost the taxpayers of Shelby nearly \$200,000.00 leaving a bleak vacant lot - void of community appeal, greenspaces and economic viability. Reuse and redevelopment of the property will be an efficient reuse of infrastructure as the integrity of the structurally sound building will be maintained. Existing water, sewer and all utilities will be maintained as well.

Redevelopment of the site has the potential for significant sustainable features including:

- High quality, energy efficient heating, electrical and plumbing features;
- High lot density and efficient use of living space;
- Water efficient softscaping; and
- Creation of a more walkable community living space and proximity to public transportation.

The strength of a community comes from the ability to create opportunity; building on its assets and providing a quality of life people deserve.

**CITY OF SHELBY, MONTANA**  
**APPLICATION TO U.S. ENVIRONMENTAL PROTECTION AGENCY**  
**FOR A HAZARDOUS SUBSTANCE CLEANUP GRANT**  
**HISTORIC RAINBOW HOTEL**

**November 28, 2011**

**THRESHOLD CRITERIA**

**1. Applicant Eligibility**

**a. Eligibility Entity**

The City of Shelby is a legally incorporated entity in the State of Montana, pursuant to Section 7-5-201, Montana Code Annotated (MCA). The City of Shelby has the legal jurisdiction and authority to finance, operate and maintain community property and services. The City of Shelby is eligible applicant for a Cleanup Grant as a government entity created by the State Legislature.

**b. Site Ownership**

The City of Shelby is the sole owner of the property as of February 25, 2011. The property was acquired with the assistance of a Department of Housing and Urban Development Special Project funding.

**2. Letter from the State or Tribal Environmental Authority**

The Montana Department of Environmental Quality Director, Richard Opper, has provided a letter of support, dated October 5, 2011 for the City of Shelby Cleanup Grant Proposal. **(Attachment A – Letter from Department of Environmental Quality)**

**3. Site Eligibility**

***a. Basic Site Information***

**(a) Site Name:** Historic Rainbow Hotel

**(b) Address:** 401 Main Street, Shelby, MT 59474

**(c) Owner:** The sole owner of the property is the City of Shelby, Montana.

**(d) Date of Acquisition:** February 25, 2011

***b. Status and History of Contamination at the Site***

**(a) Contamination:** Through the Phase II Environmental Site Assessment conducted in March of 2011, it was determined the property has characterized and delineated ACM, LBP and mold. ACM was observed at concentrations greater than the MDEQ standard of 1 percent in few areas

of the hotel. LBP was identified in concentration exceeding the permissible EOA and HUD levels of 1 mg/cm<sup>2</sup> of surface area in a very few areas. Mold growth is widespread within the hotel.

**(b) History:** The three-story historic Rainbow Hotel was built in the winter of 1922-1923 for the tremendous influx of oilmen seeking their fortunes in the Kevin-Sunburst oilfields in 1923. The hotel maintained a steady business providing lodging for travelers, railway employees, businessmen and visitors to Shelby. The original owners maintained the hotel until 1929. It was sold again in 1948 and again in 1973. The last owners operated until the early 1990's, when economic times forced the closure of the lodging establishment. The building has remained vacant since that time, but remains a cornerstone of Shelby's Main Street business district.

**(c) Environmental Concerns:** The primary concern of the City of Shelby is the potential threat of direct contact with the identified hazardous substances on the property. The site is located on Main Street in Shelby. Direct contact could occur if persons, particularly younger people were to trespass onto the site and risk exposure to the identified contaminants.

**(d) Contamination History:** The structure was built in 1923 and subsequent remodels used materials that were acceptable and common at that time. Those materials are now found to have hazardous levels of toxins within the asbestos and lead-based paint. The mold has accumulated as the building sat empty for the last 2 decades.

***c. Sites Ineligible for Funding***

**(a)** The Rainbow Hotel is not listed or proposed for listing on the National Priorities List; **(b)** not subject to a unilateral administrative order, court orders, an administrative order on consent, or judicial consent decrees issued to or entered into the parties under CERCLA and; **(c)** not subject to the jurisdiction, custody or control of the United States Government.

**(b)** The site is not subject to unilateral administrative orders, court orders, administrative orders on consent or judicial consent decrees issue to or entered into by parties under CERCLA.

**(c)** The hotel is not subject to the jurisdiction, custody or control of the United States government.

***d. Sites Requiring a Property-Specific Determination***

The Historic Rainbow Hotel Project does not require property-specific determination as it is **(a)** not subject to a CERCLA planned or ongoing removal action; **(b)** not subject to unilateral administrative orders, a court order, an administrative order of consent, or a judicial consent decree; **(c)** not subject to corrective action under RCRA; **(d)** not a land disposal unit; **(e)** not a portion of a facility at which there has been a release of PCBs; and **(f)** not a portion of a LUST.

***e. Environmental Assessment Required for Cleanup Proposals***

A Phase I Environmental Site Assessment was completed January 18, 2011 by Tetra Tech, Inc. through assistance of Department of Housing and Urban Development Special Project funding.

The Phase II Environmental Site Assessment was completed in May 27, 2011 by URS Operating Services, Inc. as part of a Targeted Brownfields Assessment secured through START 3, EDA Region 8. The Phase II Environmental Site Assessment (ESA) was performed; quantities estimated; costs estimates for abatement activities provided and a property profile completed.

### **Property Ownership Eligibility**

#### ***f. CERCLA § 107 Liability***

The City of Shelby is not potentially liable or affiliated with any party that may be liable for the asbestos, lead-based paint and mold contamination present in the Rainbow Hotel property under CERCLA Section 107. The City of Shelby has recently taken ownership of the property as part of a HUD Special Project in an effort to revitalize abandoned Main Street properties. The City will continue to conduct all appropriate inquiry investigations and pursue appropriate remedial alternatives through Brownfields funding mechanisms.

#### ***g. Enforcement Actions***

There are no current or anticipated environmental enforcement actions related to this property.

#### ***h. Information on Liability and Defenses/Protections***

##### **(i) Information on the Property Acquisition**

Through Department of Housing and Urban Development Special Project funding, the City of Shelby was able to acquire the abandoned property with the hopes of revitalizing the property for private sector investment. The date of acquisition was February 25, 2011. The City of Shelby is the sole owner of the property which was purchased from Mrs. MaryAnn Potter of Shelby. The City has no previous financial relationship or affiliation with Mrs. Potter.

##### **(ii) Timing and /or Contribution toward Hazardous Substance Disposal**

The conditions present with the historic Rainbow Hotel occurred prior to the City of Shelby purchasing the property. As indicated in the contamination history, the asbestos and lead-based paints were present within the building as part of commonly used building materials during the era of the hotel. The mold has accumulated in the past 2 decades of abandonment.

##### **(iii) Pre-Purchase Inquiry**

As directed by William Rothenmeyer, EPA Region 8, the City of Shelby conducted a Phase I Environmental Site Assessment of the Rainbow Hotel property. The assessment was prepared by Tetra Tech EM Inc. with a final report presented on January 18, 2011. Mr. Josh Abrahamson of Tetra Tech performed the site investigation on December 28, 2009. Mr. Abrahamson is a Tetra Tech Environmental Scientist with 5 years of professional experience. Mr. Chris Reynolds



(also of Tetra Tech) conducted the technical and editorial review of the Phase I ESA. He has a MS in Geology and over 10 years of experience reviewing ESAs.

#### **(iv) Post Acquisition Uses**

The historic Rainbow Hotel has remained empty since the City purchased the property in February of this year. City crew and contracted professionals have begun work to reduce the risk of exposure of contaminated substances to the public until remediation funds can be secured.

#### **(v) Continuing Obligations**

The City of Shelby was very fortunate to receive HUD Special Project Funding to purchase the hotel property; conduct the ESA Phase I Assessment and begin stabilization of the building in the hopes of potential revitalization of this Main Street property. The City initiated the purchase of the property after the Phase I Environmental Assessment was completed in January of 2011. Through the financial assistance of EPA Region 8, a Targeted Brownfields Phase II Environmental Site Assessment was conducted on the site March 7, 8 and 9, 2011. A final report was submitted September 19, 2011. Through the HUD Special Project and City of Shelby General Fund monies, the roof was replaced on the building to further prevent additional mold issues and eliminate any risk of exposure. The City also demolished the storage shed on the site eliminating any threat of safety to the general public. The City has also completed broken window containment to further eliminate potential threat to unwarranted intrusion into the building. The window containment also reduces the potential of release of friable substances related to the asbestos and lead-based paint into the environment.

The City of Shelby will comply with all land-use restrictions and institutional controls. They will assist and cooperate with those performing the cleanup and provide access to the property. The City will comply with all information requests and administrative subpoenas that have or may be issued in connection with the property; and will provide all legally required notices.

#### ***i. Petroleum Sites***

Not applicable for this project.

### **4. Cleanup Authority and Oversight Structure**

**(a)** Mayor Larry J. Bonderud, the Shelby City Council and City Building Inspector, Jim Yeagley, are the designated authority overseeing the project for the cleanup and removal of hazardous substances at the Rainbow Hotel site. The City of Shelby has previous Brownfield experience in having been awarded a Brownfields Cleanup Grant for hazardous materials in the abandoned Shelby Middle School and former Shelby Petroleum Refinery. The City will again follow the competitive procurement provisions of 40 CFR 31.36 for engineering design and oversight and

have the technical expertise in place prior to beginning cleanup activities if grant funding is awarded for the hotel site. The City will follow all specifications from the DEQ to conduct the removal and disposal of the hazardous substances by authorized professionals.

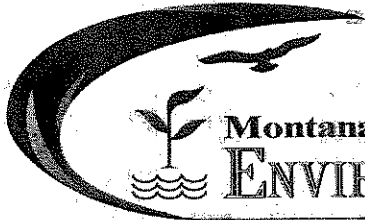
(b) Risk of exposure will be kept to a minimum, as the Shelby landfill, a Class II landfill accepts contaminated materials for disposal. The neighboring properties will have minimum to no impact, as the removal, transport and disposal will be contracted to licensed professionals with the assistance of city personnel. Transporting of the waste from the site to the landfill is a short distance and all measures will be taken to contain any risk of release to the environment. Neighboring property access will be minimal as the City of Shelby purchased the adjacent property to the west of the building and city streets parallel the building on the south and the east. Former owner, Mary Ann Potter owns the property to the north. The City has written approval of Mrs. Potter for access to her adjacent property if necessary.

## **5. Cost Share**

The City of Shelby has already expended \$35,937.00 in building stabilization and institutional controls within the building thus far. As the match requirement, the City will utilize its Class II Landfill which accepts contaminated materials for disposal. The hauling and disposal as estimated in the Phase II Environmental Assessment is approximately \$41,000.00. The city will also rely on in-kind for the administration of the grant; audit requirements; and permitting. Anticipated cost for administration is \$3,000.00.

## **6. Community Notification**

The City of Shelby is very fortunate in having prior knowledge of the Brownfields Program. Input from the city council, county commissioners, business leaders and citizens have been critical in Brownfields projects within the community for several years. The City conducted a public meeting on November 7, 2011 as well as numerous informal visits with citizens to inform them of the Rainbow Hotel proposal and subsequent development. An advertisement inviting public comment was published in the Shelby Promoter on October 27, 2011 and subsequent picture of the building and announcement of the meeting in the November 3, 2011 publication. Copies of the proposal including a draft ABCA are available at the Shelby City Hall for review. No public comments were received, but several community members have expressed their support of this revitalization project. **(Attachment B- Community Notification)**



Montana Department of

ENVIRONMENTAL QUALITY

RECEIVED

OCT -7 2011

CITY OF SHELBY

Brian Schweitzer, Governor  
Richard H. Opper, Director

P.O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • [www.deq.mt.gov](http://www.deq.mt.gov)

October 5, 2011

Larry Bonderud, Mayor  
City of Shelby  
112 First Street South  
Shelby, MT 59474

RE: Letter of Acknowledgment: City of Shelby's Grant Application for Cleanup of the  
Rainbow Hotel

Dear Mr. Bonderud:

I am writing to express the Montana Department of Environmental Quality's (DEQ) acknowledgment of the City of Shelby's efforts to obtain a 2011 U.S. Environmental Protection Agency Brownfields Cleanup Grant. The grant funds will be used to address contamination in the historic Rainbow Hotel in downtown Shelby.

DEQ supports Brownfields efforts in Montana, and wishes to promote assessment and cleanup activities that allow contaminated properties to be put into productive and beneficial use.

If you have any questions or comments about hazardous substance brownfield sites, please contact Jason Seyler at (406) 841-5071 or [jseyler@mt.gov](mailto:jseyler@mt.gov). If you have any questions or comments about hazardous waste brownfield sites, please contact Becky Holmes at (406) 444-2876 or [rholfes@mt.gov](mailto:rholfes@mt.gov).

Sincerely,

Richard H. Opper  
Director

c: Jason Seyler, Brownfields Coordinator, Site Response Section  
Becky Holmes, Brownfields Coordinator, Hazardous Waste Section

### Appendix 3 Special Considerations Checklist

Please identify (with an **X**) if any of the below items apply to your community or your project as described in your proposal. EPA will verify these disclosures prior to selection of the grant.

- ☒ Community population is 10,000 or less
- ☐ Federally recognized Indian tribe
- ☐ United States territory
- ☐ Applicant assisting a Tribe or territory
- ☐ Targeted brownfield sites are impacted by mine-scarred land
- ☐ Targeted brownfield sites are contaminated with controlled substances
- ☒ Community is impacted by recent natural disaster(s)
- ☒ Community demonstrates firm leveraging commitments for facilitating brownfield project completion by identifying amounts and contributors of funding in the proposal and have included documentation
- ☐ Community experiencing plant closures (or other significant economic disruptions), including communities experiencing auto plant closures due to bankruptcy
- ☐ Applicant is a recipient of a HUD/DOT/EPA Partnership for Sustainable Communities grant
- ☐ Community is implementing green remediation plans

# AFFIDAVIT OF PUBLICATION

STATE OF MONTANA

ss.

County of Toole

I, Patty Grubb, being duly sworn, deposes and says That she is the Legals Editor of *The Shelby Promoter*, a weekly newspaper of general circulation, printed and published in Shelby, Toole County, Montana, and that the notice annexed

*Public Meeting*

*EPA Brownfields  
Cleanup Grant*

has been correctly published in the regular and entire issue of every number of said paper for one (1) consecutive issues, commencing on the 27<sup>th</sup> day of October, 2011 and ending on the 27<sup>th</sup> day of October, 2011

*Patty Grubb*

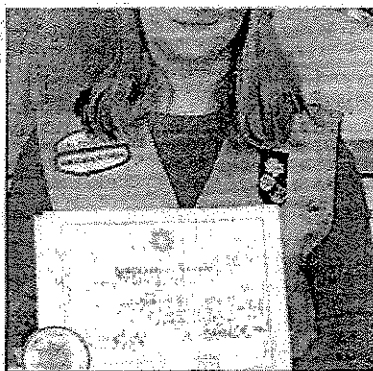
Subscriber and sworn before me this 27<sup>th</sup> day of October, A.D., 2011

*Tawn M. Oyedon*

## PUBLIC MEETING

The City of Shelby is hosting a public meeting seeking direction and input in their efforts to apply for an EPA Brownfields Cleanup Grant for the historic Rainbow Hotel on Main Street, Shelby. A copy of the draft proposal and ABCA is available for review at the City of Shelby Economic Development Office. Comments and questions will be addressed at the Shelby City Council meeting on Monday, November 7, 2011 at 7:30 p.m. at City Hall located at 112 1st St. So., Shelby, Montana. Written comments can also be sent to Mayor Bonderud at City Hall.

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Kelly, it was just next on the  
"to-do" list. "Kelly has earned  
a lot of badges," Tronson  
smiled.

Few Girl Scouts earn  
Bronze Awards. In Tronson's  
eight years involved in the Girl  
Scout program in Shelby, only  
eight girls have earned the  
award.

Tronson has watched the  
girls in her troop grow during  
their Bronze Award projects.  
"At first they're kind of, 'this  
is such a lot to do,' but then at  
the end they're just more  
proud of themselves because  
they've completed it and they  
have learned a lot," stated  
Tronson.

She said the project taught  
Kelly everything from sewing  
to caring more about the envi-  
ronment and families in need.  
"Kelly came out of it a lot  
stronger than what she did  
when she went into it," Tron-  
son said.

award project, all informa-  
tional booklet on Toole  
County. Kelly said she hopes  
the booklet includes a map  
with important places and  
buildings pointed out.

In her ninth year in Girl  
Scouts, Kelly said she enjoys  
Girl Scouts because she likes  
"helping the community," and,  
"I like all the different activi-  
ties we can do and the badges  
we can earn."

As a cadet, she's looking  
forward to having a new list of  
badges to earn. "The first one I  
want to learn is comic artist,"  
she grinned.

It's full speed ahead for  
Kelly. And while she's proud  
of her Bronze Award, she may  
not completely appreciate how  
important her work is to oth-  
ers, or that 10 families will be  
happy to have a warm receiv-  
ing blanket embroidered with  
the words, "Donated by Kelly  
K. Troop 3102."

Photo by Jennifer Van Hest

Catching a glimpse of a dragon rolling a pumpkin isn't some-  
thing witnessed very often, but at the Fall Festival last Fri-  
day, Oct. 28 in the elementary school gym it was a common  
occurrence.



Photo by Briana Wipf

Workers perform cleanup on the roof of the Rainbow Hotel  
recently. The City of Shelby will host a public meeting this  
Monday, Nov. 7 to receive input on its efforts to apply for an  
EPA Brownfields Cleanup Grant. Comments will be ad-  
dressed at the City Council meeting, held at 7:30 p.m. in City  
Hall. If received, the grant would help pay for cleanup and  
disposal of mold, asbestos and lead paint.

# Get ready for the HOLIDAYS



15% OFF  
all Dining Room  
Furniture

## Savings

# \$5 off

with coupon  
Limit 5 gallons

any gallon of  
EasyCare Ultra  
Premium Paint

Valid at participating  
True Value stores

10/26/11 - 11/6/11 only

**AGENDA**  
**CITY COUNCIL MEETING**  
**CITY OF SHELBY**  
**NOVEMBER 7, 2011**  
**7:30 P.M.**

---

**ROLL CALL OF MEMBERS**

**OPEN PUBLIC HEARING – EPA Brownfields Cleanup Grant for historic Rainbow Hotel**

**APPROVAL OF MINUTES**

- Regular Meeting, 10/17/2011

**CLAIMS REPORT, 10/31/2011**

**BUILDING INSPECTOR REPORT, 10/31/11**

**APPEARANCE REQUESTS**

- Agenda Items
- Non Agenda Items

**COMMITTEE REPORTS**

- Safety Committee & Employee Quarterly Meeting, 10/20/11
- Tri-City Interlocal Meeting, 10/20/11
- Park & Rec Meeting, 10/24/11

**COMMUNITY DEVELOPMENT DIRECTOR**

**CLOSE PUBLIC HEARING**

**CITY ATTORNEY**

- Resolution No. 1827 – A budgetary authority resolution for the City of Shelby Revolving Loan Fund
- Ordinance No. 806 – Amending Title 1 (Administration), Chapter 6 (Mayor and Council), of the Shelby Municipal Code

**CITY SUPERINTENDENT**

- Review frozen meter charges

**CITY FINANCE OFFICER**

**OTHER MATTERS**

- Payroll Bi-Weekly Report, October, 2011
- Property Improvement Agreement – old Bitterroot School
- Montana Buffalo preservation
- Governmental affairs contract
- City Court Judge
  1. Animal Citations
  2. Office Hours

**ADJOURN**

- OVER FOR MEETINGS -



**MINUTES OF A REGULAR MEETING OF THE SHELBY CITY COUNCIL  
HELD IN COUNCIL CHAMBERS  
November 7, 2011**

Mayor Larry Bonderud called the meeting to order at 7:30 p.m. Present were: Cindy Doane, Lyle Kimmet, Don Lee, Eugene Haroldson, Harvey Hawbaker and Chip Miller, council members; Bill Hunt, city attorney; Teri Ruff, finance officer; and Bill Moritz, superintendent.

Others present: Jim Yeagley, building inspector/planner; Lorette Carter, community development director; Mark Warila, animal control officer; and citizens Barry Milbrandt and son.

Mayor Bonderud opened the public hearing for the EPA Brownfields Cleanup Grant for the Historic Rainbow Hotel 7:31 p.m. There was no public input.

**MINUTES - 10/17/2011**

HARVEY HAWBAKER MADE A MOTION TO APPROVE THE OCTOBER 17, 2011 REGULAR MEETING MINUTES. SECONDED BY KIMMET. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. NOES-NONE. ABSENT-NONE. ABSTAIN-NONE.

**CLAIMS REPORT - 10/31/2011**

HAROLDSON MADE A MOTION TO APPROVE THE OCTOBER 31, 2011 CLAIMS REPORT. SECONDED BY MILLER. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. NOES-NONE. ABSENT-NONE. ABSTAIN-NONE.

**APPEARANCE REQUESTS**

Agenda items - none

Non Agenda items - none

**BUILDING INSPECTOR**

There were two permits issued in October 2011 with job valuation of \$35,000 and \$539.00 collected in fees.

- |  |           |
|--|-----------|
| 1. Allan Underdal-building addition                | \$ 503.00 |
| 2. Jim Sherrard-zoning-move factory built building | 36.00     |

Jim Yeagley presented a draft "property maintenance" ordinance to the council for review.

**COMMITTEE REPORTS**

**Safety Committee & Employee Quarterly Meeting, 10/20/11**

Present: Building-Jim Yeagley, City Hall-Larry Bonderud, Sarah Clary, Tammy Pederson, Teri Ruff, Lori Stratton; Civic Center-Cindy Florez, Judy Norenberg, Council Member-Harvey Hawbaker; Public Works-Dennis Barker, Terry Bentley, Luis Correa, Rob Habets, Lance Hoover, John Postma, Gene Stratman, Rob Tasker.

City Hall Park - A request was made for an extra trash container next summer at the east end of the park.



Shelby City Council Minutes

November 7, 2011

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Civic Center - Rain gutter by front door still needs repair. Superior Seamless Raingutters was contacted and will come fix it. The broken mirror was fixed in the weight room. Rubber flooring needs to be put down in the weight room when the crew has free time.

Hearing Tests - Mayor Bonderud will check into this. The last one was done in April 2009.

Historic Shelby High (HSH) - Boxes have to be built around the registers

Identity Theft - Call 1-888-567-8688 or go to <https://www.optoutprescreen.com> to opt of receiving offers of credit in the mail.

Landfill Container - A new landfill transfer trailer (container) has been ordered to replace the burnt one. We will check with MMIA to see what to do with the old one.

Safety Issues - Mayor Bonderud asked that in the morning when job assignments are given out that any and all safety issues pertaining to those individual jobs are discussed.

Snow Removal - Superintendent Moritz contacted Kustom Services again about the upcoming season. We will give them a list of city property and what we want done at each place.

Walking Trail - Reports of dog feces on the trail. Mayor Bonderud stated that a garbage receptacle have been put on both ends of the walking trail.

Wellness Dates

Wellness Education: Wednesday, November 9<sup>th</sup>, 8am @ City Hall  
Wellness Screening: Tuesday, December 6<sup>th</sup>, 7-10am @ Marias River Electric

Xmas Party - The city's Christmas party has been set for Friday, December 9<sup>th</sup>, at the Elks.

The next meeting will be held Thursday, November 17, 2011 @ 8:30 a.m. at City Hall.

Meeting adjourned at 8:55 a.m.

Park and Recreation Meeting, 10/24/11

No meetings were held in August or September.

Present: Larry Bonderud, Lorette Carter, Bill Moritz and Eric Tokerud.

Civic Center - New mats have arrived and city crews will install when

they are available.

Parks - All the parks are winterized. We need to place snow fencing in the Wild Turkey Tree and Turf Farm. Lake Shelby needs a lot of trees.

Swimming Pool Boiler - Superintendent Moritz is waiting to hear from Peder Underdal of All Seasons Heating & Air Conditioning. The last boiler from Watco only lasted five years.

Tanner Raph Sign Project - Superintendent Moritz has purchased materials for Tanner and the project is progressing.

Tree Trimming - We have applied for funding to do more tree trimming in the spring.

Walking Trail - The midway trail has been paved and striped. The city crew will install gates at the Coyote Hills fence line soon. Jeannie Olmstead is reviewing the walking trail and looking for good tree locations.

Community Development Director Carter reported:

1. The City of Shelby has submitted to Tree City USA for recognition as a Tree City for 12 years.
2. The City of Shelby has also submitted for a Growth Award in recognition of our efforts to improve our forestry program within the City of Shelby. The Growth Award acknowledges the city's efforts in assisting with tree care workshops and walking tour; an Arbor Day poster contest; grant funding to conduct park and boulevard maintenance and plant more trees; and the continual education opportunities the city provides through our bi-monthly newsletter.
3. The City has submitted a grant application for Urban Forestry Development funding. The city is requesting additional monies to continue park maintenance projects.
4. The City of Shelby was awarded an Urban Forestry Excellence Award to create a master plan for softscaping in our Main Street business corridor. The city will create a Request for Professional Services for publication in the coming weeks.
5. In the coming months, the City of Shelby will also apply for Arbor Day funding. If you have ideas for an Arbor Day celebration, please let Mayor Bomderud or me know.

COMMUNITY DEVELOPMENT DIRECTOR

Lorette Carter submitted the following for the month of October 2011:

- The final reporting requirements and draw request have been submitted for the Energy Efficiency Conservation Block Grant for historic Shelby High.
- The draw request for the paving of the Shelby Recycling pad and trail loop have been submitted. The Montana Department of Transportation stripped the trail loop along the Spirit Drive down to Oilfield Avenue.

Shelby City Council Minutes

November 7, 2011

Page 4 of 6

- The Shelby Recycling Association met. The cardboard recycling trailer is nearly complete which is being funded through the DEO Hub & Spoke Grant.
- The Shelby Recycling Association will be celebrating America Recycles Day, Tuesday, November 15<sup>th</sup> with Shelby Elementary students. A challenge has gone out to students to bring recyclable paper to school this week. The class with the largest volume of paper will receive a roller skating party compliments of the City of Shelby. Toole County Extension Agent, Alice Burchak will also do a presentation on how to make paper with 2<sup>nd</sup> grade classes that day.
- The agreement has been signed with Tetra Tech EM Inc. for continued work on the former Shelby Petroleum Refinery. The work is funded as a second phase of work through a DNRC Resource Development Grant.
- The Shelby Tourism Business Improvement District will be meeting November 8<sup>th</sup> to finalize their by-laws and create a work plan for council approval. They anticipate beginning room assessment fees on January 1<sup>st</sup>.
- The Safe Routes to School Program has initiated a new program in partnership with Main Street Convenience and the Toole County Sheriff's office. Through the month of November when a deputy sees a driver doing something positive stopping for kids in crosswalks, slowing down for kids on bikes, and general awareness in school zones - they will be rewarded with a free cup of coffee card compliments of Main Street Convenience.
- I am working on the annual certification/reporting process for the HOME program.
- I am working on an EPA Brownfields Cleanup Grant for the Rainbow Hotel. The grant deadline is November 28<sup>th</sup>.
- I will also start a Safe Routes to School Grant application soon in anticipation of the December 31<sup>st</sup> deadline.

Mayor Bonderud closed the public hearing @ 7:55 p.m.

**CITY ATTORNEY**

- Resolution No. 1824- A BUDGETARY AUTHORITY RESOLUTION FOR THE CITY OF SHELBY REVOLVING LOAN FUND.  
DOANE MADE A MOTION TO APPROVE RESOLUTION NO. 1824. SECONDED BY HAWBAKER. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. NOES-NONE. ABSENT-NONE. ABSTAIN-NONE.

- Ordinance No. 806- AN ORDINANCE AMENDING TITLE 1 (ADMINISTRATION), CHAPTER 6 (MAYOR AND COUNCIL, OF THE SHELBY MUNICIPAL CODE.  
HAROLDSON MADE A MOTION TO APPROVE ORDINANCE NO. 806. SECONDED

BY KIMMET. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. NOES-NONE. ABSENT-NONE. ABSTAIN-NONE.

### CITY SUPERINTENDENT

Superintendent Moritz reported the following:

- \* The boilers are working at the old Middle School and they are done cleaning the stage and gym.
- \* They have been busy drying sand for the winter.

Bill requested that the council approve increasing the city's frozen meter charge of \$100 to charging the actual costs of replacing the meter.

DOANE MADE A MOTION TO INCREASE THE FROZEN METER CHARGES TO THE ACTUAL METER REPLACEMENT COSTS. SECONDED BY LEE. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. NOES-NONE. ABSENT-NONE. ABSTAIN-NONE.

### OTHER MATTERS

- ✓ Mayor Bonderud recommended to the council to recall the property improvement agreement between Jim Cordial and the City of Shelby for the old Bitterroot School property and convey it back to the city. Jim Cordail has not secured funding for the condominium project within the timeframe provided in the agreement.

MILLER MADE A MOTION TO APPROVE RECALLING THE PROPERTY IMPROVEMENT AGREEMENT. SECONDED BY HAROLDSON. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. NOES-NONE. ABSENT-NONE. ABSTAIN-NONE.

- ✓ Mayor Bonderud recommended approving a contract transfer of the Government Affairs contract with Kadmas, Lee & Jackson, engineers, to Melissa Lewis.

DOANE MADE A MOTION TO APPROVE TRANSFERRING THE GOVERNMENTAL AFFAIRS CONTRACT TO MELISSA LEWIS. SECONDED BY MILLER. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. NOES-NONE. ABSENT-NONE. ABSTAIN-NONE.

### ADJOURN

AT 8:50 P.M. HAROLDSON MADE A MOTION TO ADJOURN THE MEETING. SECONDED BY HAWBAKER. VOTE: AYES-DOANE, KIMMET, LEE, HAROLDSON, HAWBAKER AND MILLER. ABSENT-NONE. ABSTAIN-NONE.

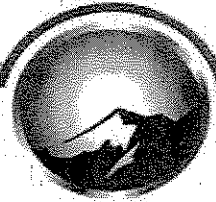
\_\_\_\_\_  
LARRY BONDERUD, MAYOR

ATTEST:

\_\_\_\_\_  
TERI RUFF, FINANCE OFFICER

300 Central Avenue, 4th Floor  
PO Box 949, Great Falls, MT 59403

[www.gfddevelopment.org](http://www.gfddevelopment.org)  
406.771.9020



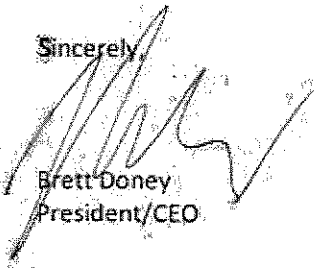
October 4, 2011

Daniel Heffernan  
Region 8 Environmental Protection Agency  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

Dear Mr. Heffernan,

It is with great enthusiasm that the Great Falls Development Authority supports the City of Shelby's application for an EPA Brownfields Cleanup Grant for the historic Rainbow Hotel. As a leading economic development agency for a 13-county trade area that includes Toole County, we recognize the importance of redeveloping vital structures such as the Rainbow Hotel. I urge you to strongly consider this project for funding.

Sincerely,

  
Brett Doney  
President/CEO

# SWEETGRASS DEVELOPMENT

SERVING NORTH CENTRAL MONTANA: CASCADE, GLACIER, PONDERA, TETON AND TOOLE COUNTIES

October 25, 2011

Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

To Whom It May Concern,

Sweetgrass Development would like to express our support for the City of Shelby's EPA Brownfields Cleanup Grant proposal for the historic Rainbow Hotel. The City of Shelby has been awarded cleanup grant funds for their Middle School and Shelby Refinery site in past years. They have a proven record of utilizing and managing the funds appropriately and believe that this project would be just as successful.

These funds would be used to remediate and begin redevelopment of the Rainbow hotel. The City of Shelby was very fortunate to receive HUD Special Project funding to purchase the building and do a Phase I Assessment. Through a Brownfields Targeted Assessment, a Phase II Environmental Assessment was conducted on the site identifying asbestos, lead-based paint and mold issues. Brownfields funding would begin to address these hazardous substances within the building and initiate the process for redevelopment. It is the hope of the City of Shelby that the building can be then purchased by the private sector for development.

Sweetgrass Development is committed to improving the quality of life in the counties of Cascade, Glacier, Pondera, Teton and Toole through comprehensive and coordinated efforts of the citizens and local decision makers. This project supports the mission statement of Sweetgrass Development, promoting development and encouraging private investment.

Thank you in advance for your time and consideration in this matter. Please do not hesitate to contact us if you have any questions or need anything further.

Yours truly,

  
Tony Sitzmann  
President

Sweetgrass Development

521 1<sup>st</sup> Avenue Northwest Great Falls, MT 59404  
Phone 406-727-5173 Fax 406-454-6903  
[www.sweetgrassdevelopment.org](http://www.sweetgrassdevelopment.org)



# MONTANA STATE SENATE

SENATOR LLEW JONES  
STATE DISTRICT 14

HELENA ADDRESS:  
STATE CAPITOL  
PO BOX 200500  
HELENA, MT 59620-0500  
(406) 444-8200

HOME ADDRESS:  
1182 4TH AVE SW  
CONRAD, MONTANA 59425  
PHONE: (406) 271-3104

COMMITTEES:  
HIGHWAYS AND  
TRANSPORTATION - CHAIRMAN  
FINANCE AND CLAIMS  
STATE ADMINISTRATION  
LEGISLATIVE ADMINISTRATION

October 3, 2011

Mr. Daniel Heffernan

Region 8 EPA

999 18<sup>th</sup> Street, Suite 300

Denver, CO 80202-2406

Mr. Heffernan,

I am writing to support the City of Shelby in their efforts to revitalize the historic Rainbow Hotel.

The Rainbow Hotel is a cornerstone of Main Street Shelby. Built in 1923, the Rainbow is the only hotel left during that historic era when Shelby was a bustling cow town that grew from the coming of the railroad; boomed from the riches of the oilfield; lived to tell of the incredible "fight fiasco"; survived the decades of drought; and now waits to breathe new life.

Shelby's Main Street is a thriving business district that is diligent in its efforts to continue to do good business in Shelby attracting outside dollars. The renovated Rainbow Hotel will illuminate Shelby's unique flavor while creating business opportunities. It will create temporary and permanent jobs and serve as a bright spot in Shelby's colorful past.

I sincerely hope you will consider the efforts of the community in continually working to make Shelby a great place to live, work and do business and support the efforts to revitalize the Rainbow Hotel.

Sincerely,

Llew Jones, Senator

District #14





640 Park Avenue • P.O. Box 915 • Shelby, Montana 59474-0915  
406-434-3200 • Fax 406-434-3213

October 11, 2011

Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

To Whom It May Concern;

Marias Medical Center is writing to ask your support of the City of Shelby in efforts of the Rainbow Hotel cleanup. With this building revitalized it will continue in the positive restoration direction that is occurring. The Rainbow Hotel is a city landmark and the medical community is always in support of community efforts to improve the community in which we live.

Please consider this application for grant funding through the EPA Brownfields Cleanup Grant. Thank you for giving us this opportunity to express our support for the hotel and the tremendous value it will have to Shelby in regard to enhancing our tourism industry, potentially creating new jobs, and most important, preserving Shelby's historic past.

Thank you so much for your continued support of restoring Shelby, Montana.

Sincerely,

Mark A Cross, CEO





"Your hi-line electric company."

Mark S. Grotbo, P.E., General Manager

PO Box 729  
910 W. Roosevelt Hwy.  
Shelby, MT 59474  
Phone: 406-434-5575  
Fax: 406-434-2531

September 28, 2011

Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

Dear Mr. or Ms.,

This letter is being written in support for an EPA Brownfields Cleanup Grant for this historic Rainbow Hotel in Shelby, MT. The Rainbow Hotel now sits vacant in the heart of Shelby on Main Street. This grant would allow for the renovation and reoccupying of this structure.

As the Manager of Marias River Electric Cooperative and Shelby Gas Association, having infrastructure in place but not in use to serve this structure, causes an increased cost to the rest of my members. Having a viable business in this facility is good for Main Street and all the member/owners of these two Cooperatives across our entire service area. Please give strong consideration to award the Brownfields Cleanup Grant to the City of Shelby for the Rainbow Hotel.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark S. Grotbo', is written over a horizontal line.

Mark S. Grotbo  
General Manager

Shelby  
Area

# Chamber of Commerce

October 5<sup>th</sup>, 2011

Re: Shelby Historic Rainbow Hotel

Dear Region 8 EPA,

On behalf of the Shelby Area Chamber of Commerce I am writing in support of the grant application for cleanup of the hazardous substances in the historic Rainbow Hotel in downtown Shelby. The cleanup of asbestos and lead-based paint, and addressing the issue of mold within the interior of the building would be significant steps in the renovation of this building. If these improvements could be made it would improve the chances of an economic investment from the private sector.

The Rainbow Hotel has a colorful history and with improvements it could once again make vital contributions to our downtown area. I remember staying in the Rainbow Hotel on my returns visits to Shelby in the 1970's and being charmed by the history and ambiance of the building. It would be wonderful if this once handsome building could be restored to some of its past splendor in some capacity.

Thank you for whatever consideration you give this letter in the grant application.

Sincerely,



Audie Bancroft

Executive Director

Shelby Area Chamber of Commerce

shelbycoc@3rivers.com

All Roads Lead to Shelby, the Western Crossroads of America

Box 865

Shelby, Montana 59474

406-434-184

## Shelby Merchant Association

Dawna Widmar, President  
Forever Fine Jewelry & Gifts  
(406) 434-5301

4everjws@3rivers.net

November 9, 2011

Mr. Daniel Heffernan  
Region 8 EPA  
999 18th Street, Suite 300  
Denver, CO 80202-2406

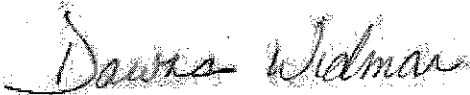
Dear Mr. Heffernan,

On behalf of the Shelby Merchant Association, I am writing in support of the City of Shelby's efforts to revitalize the Rainbow Hotel.

A landmark on Shelby's Main Street, the Rainbow Hotel has long stood abandoned. Tremendous effort has already been made on the City's part to obtain the property and begin stabilization. Now, we as a merchant group hope the City may be funded to move forward addressing the contaminants and then seek private investment...enhancing and positively impacting our Main Street business district.

The Shelby Merchant Association is in strong support of the City of Shelby's efforts to redevelop and revitalize the Rainbow Hotel.

Sincerely,



Dawna Widmar, President  
Shelby Merchant Association



# Port of Northern Montana

112 1st Street South

Shelby, Montana 59474

Telephone: 406-434-5203

November 14, 2011

Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

RE: EPA BROWNFIELDS CLEANUP GRANT

To Whom It May Concern:

On behalf of the Port of Northern Montana, I am writing in support of the efforts of the City of Shelby to begin redevelopment of the historic Rainbow Hotel through a Brownfields Cleanup Grant. A Brownfields Cleanup Grant would begin the initiation process for redevelopment and lead to the purchasing by a private sector for development.

We believe that the redevelopment of this property will have a positive impact on the economic development of our community. Together we can continue to make Shelby a great place to live, work and raise our families.

We are very proud to be a supporter of the City of Shelby and hope you look upon this application favorably.

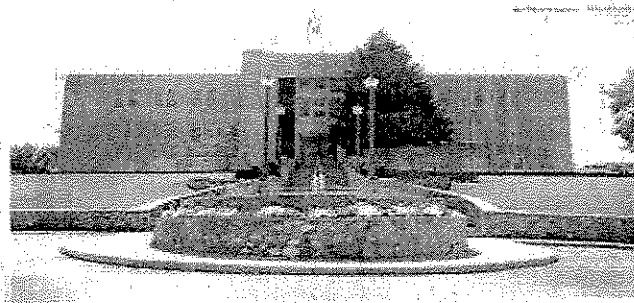
Sincerely,

Larry Bonderud, Director  
Port of Northern Montana

**NORTHERN EXPRESS TRANSPORTATION AUTHORITY**  
an  
**INLAND PORT**

Facsimile 1-406-434-2761

Dave Miller,  
Commission Chairman  
Ben Ober,  
Commissioner  
Allan Underdal,  
Commissioner  
Merle Raph,  
County Attorney  
Donna Whitt,  
Sheriff  
Dan B. Whitted,  
Coroner  
Commissioners  
Office# 406-424-8310  
toocomm@toolecountymt.gov



Mary Ann Harwood,  
Clerk & Recorder  
Sandra Peers,  
Clerk of Court  
Boyd Jackson,  
Treasurer/Assessor  
Supt. Of Schools  
Helen I. Schnee,  
Public Administrator  
Sherrie Murphy,  
Justice of the Peace  
Clerk & Records Office#  
406-424-8300  
Fax# 406-424-8301  
toclerk@toolecountymt.gov

# COUNTY OF TOOLE

226 1<sup>ST</sup> Street South  
Toole County Courthouse, Shelby, MT 59474

November 16, 2011

Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

RE: EPA Brownfields Cleanup Grant Proposal for the City of  
Shelby

Dear Selection Committee,

The Toole County Commissioners would like to express their whole hearted support for the City of Shelby's Brownfields Cleanup Grant request. Successful funding would begin to address the hazardous substances within the Rainbow Building, located in Shelby.

The Rainbow, with funding assistance from the EPA Brownfield Cleanup program, will be one step closer to serving as a valuable cornerstone for the business district of Shelby. Diversifying our economy and investing in our community through the historic preservation of magnificent buildings such as the Rainbow has the opportunity to capitalize on our historic past while creating opportunities for the future.

Revitalization will create opportunity for area contractors, vendors and skilled workers during the construction phase. The proposed project will further create stimulus within Toole County in secondary services, and potential for business expansion, additional workforce and exchange of goods and services within the community of Shelby. Upon completion, the

project provides the opportunity for significant job creation and/or retention of permanent jobs within Toole County.

As funding applications are evaluated, we ask for your positive consideration of the project's many benefits and support the City of Shelby's application.

Respectfully,

*Dave T. Miller*

Dave Miller, Chairman  
Toole County Commission

*Ben Ober*

Ben Ober  
Commissioner

*Allan Underdal*

Allan Underdal  
Commissioner

# TOOLE COUNTY ECONOMIC DEVELOPMENT

November 2, 2011

Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

RE: EPA Brownfields Cleanup Grant Proposal for the City of Shelby

Dear Selection Committee,

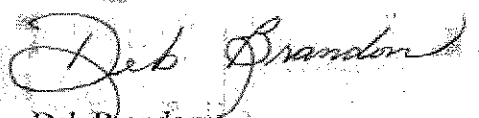
This letter conveys the office of Toole County Economic Development's support for the City of Shelby's Brownfields Cleanup Grant request. Successful funding would begin to address the hazardous substances within the Rainbow Building, located in Shelby.

The Rainbow, with funding assistance from the EPA Brownfield Cleanup program, will be one step closer to serving as a valuable cornerstone for the business district of Shelby. Diversifying our economy and investing in our community through the historic preservation of magnificent buildings such as the Rainbow has the opportunity to capitalize on our historic past while creating opportunities for the future.

Revitalization will create opportunity for area contractors, vendors and skilled workers during the construction phase. The proposed project will further create stimulus within Toole County in secondary services, and potential for business expansion, additional workforce and exchange of goods and services within the community of Shelby. Upon completion, the project has the opportunity for significant job creation and/or retention of permanent jobs within Toole County.

As funding applications are evaluated, I hope that you will carefully consider the project's many benefits and support the City of Shelby's application.

Sincerely,



Deb Brandon  
Toole County Development Director

Deb Brandon

104 East Main Street  
Shelby, MT 59474

Phone: 406.424.8403

Cell: 406.450.5177

Fax: 406.424.8413

brandon@northerntel.net

Web site:

<http://toolecountymt.gov>

# Toole County Attorney

153 Main Street  
P.O. Box 730  
Shelby, Montana 59474  
Merle Raph, County Attorney

Telephone (406) 434-5417  
Facsimile: (406) 434-5522  
tooleca@3rivers.net  
Autumn Running, Secretary

September 30, 2011

Environmental Protection Agency  
Region 8  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

Dear Sir or Madame:

I am writing in support of the City of Shelby's application for Brownfield funding for the historic Rainbow Hotel.

As a child, I remember the grandeur of the Rainbow Hotel and that it was the centerpiece for our downtown area. It stands three stories tall and at that time it had a neon sign in the center of the roof that could be seen from any part of town.

If Shelby were to lose this building it would create a hole in our Main Street that would never be filled. Over the years, other small towns in this area have removed business buildings in the name of "blight reduction" or "progress". In fact, nothing ever fills those lots except for gravel or weeds.

The City of Shelby has made great strides to improve our business district and encourage redevelopment. It takes grants and gifts to save the properties and improve them to the point that private enterprise will step in and finish the project. It is economically impractical to expect to attract a private business to engage in hazardous materials abatement and removal. If City of Shelby can begin this process then it becomes a viable project.

Please give the City of Shelby's application serious consideration and help save the jewel of our Main Street.

Sincerely,



Merle Raph  
Toole County Attorney

MR:ar



RECEIVED

DET 03 2011

CITY OF SHELBY  
Montana

September 29, 2011

EPA Brownfields Cleanup Grant: Rainbow Hotel, Shelby, MT  
Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

Grant Review Committee:

I am writing in support of the EPA Brownfields Cleanup Grant application submitted by the City of Shelby, Montana for the Historic Rainbow Hotel project. As you are well aware, this hotel is a local landmark and has played an important role in Shelby's colorful history.

My background is as a planner and downtown development specialist. My experience with the Rainbow Hotel project came about several years ago when I was hired by the City of Shelby to come to town and analyze a variety of 'next-step' projects that would be catalysts for downtown revitalization. The Rainbow Hotel, even though in a dilapidated condition, was a key project to concentrate on as it is the tallest building in downtown (a landmark), well constructed, of good design -- and most importantly, has amazing potential for a mixed-use redevelopment project.

I applaud the City in its determination to save and reuse this structure rather than tearing it down. This is a crucial element of downtown Shelby and it is important to build on the previous important work that has taken place: the building's purchase and phase I & II assessments. Please keep the momentum going by approving the City's grant application for remediation -- leading ultimately to the project going out for private redevelopment.

If you award the City this grant to move the Rainbow Hotel project to next (logical) steps, you will not be disappointed in the final outcome -- for the City of Shelby is known far and wide for identifying important catalytic projects and then doing what it takes to make them happen.

Thank you for your consideration of this project. I, along with the City and residents, hope to see the Rainbow Hotel brought back to be an important, vital component of a thriving downtown Shelby.

Sincerely,

  
Vicki D. Dugger  
Albuquerque, New Mexico

Region 8 EPA  
999 18<sup>th</sup> St.  
Suite 300  
Denver, CO 80202-2406

Dear Sirs,

I am writing in support of an EPA Brownfield Cleanup Grant for our historic Rainbow Hotel in Shelby, Montana.

I have lived in Shelby all my life and remember fondly the hotel and the people who owned and operated it.

It truly is a historic part of Shelby and one that should be preserved. The redevelopment of the hotel would indeed be a fantastic addition to the beautiful and energetic downtown businesses. Preserving our past is of utmost importance in our community, and this would be a wonderful addition to our area. The Rainbow Hotel has a great history here in Shelby.

Many plans have already been discussed, and with this enthusiasm I heartily endorse the Cleanup Grant for Shelby. Please consider us for your Cleanup Grant, as this old hotel is definitely the heart of our Main Street and it's community.

Thank you.

Diana Allen  
P.O. Box 828  
Shelby, MT  
59404

Dear Lorette,

Thanks for informing me re/ Shelby's interest and grant support for the Rainbow Hotel. As you know, my family owned and operated the Rainbow for nearly 30 years...in the late 1940's, 50's and 60's, and early 70's. I am impressed with Shelby's forward-thinking and proactive attempts to preserve the history, and at the same time, insure that the community's environment is a viable and safe enterprise. The energy and ingenuity of your economic development organization in dealing with the Shelby Refinery and reinvigorating the Shelby Middle School is commendable. Your track record shows your dedication and the success of your ventures.

I am looking forward to visiting sometime in the future to see for myself the results of your efforts.

Carol (Egan) Brownfield

Tressa Tokerud  
942 Marias Avenue  
Shelby, MT 59474  
October 2, 2011

Region 8 EPA  
999 18<sup>th</sup> Street, Suite 300  
Denver, CO 80202-2406

**To Whom it May Concern:**

I have recently returned to Shelby, Montana where I was born and raised. It is an amazing small town that is continuing to develop rather than become stagnant and die.

I understand that there is a need for the cleanup and development of the Rainbow Hotel. I urge you to support this project. It will be a project that will help a rural town on the high-line.

For 18 years Shelby was my only place of residence. The past six years I moved around and have landed back here. I have not found another location that is like Shelby. To see the development in the area is great.

I am looking forward to continued improvements in the great town of Shelby in which I call home.

Sincerely,

Tressa Tokerud

**Rainbow Hotel - City of Shelby, Montana**  
**Analysis of Brownfields Cleanup Alternatives (ABCA)**

**PROJECT TITLE:** Historic Rainbow Hotel Renovation Project

**SITE IDENTIFICATION:** 401 Main Street  
Shelby, MT 59474

**LEGAL DESCRIPTION:** Lots 1 & 2; Block 11; closed half of alleyway of Lots 1 & 2  
Subdivision: Shelby Second Addition

**GRANT TYPE:** Cleanup-Hazardous Substances

**CONTAMINATION:** Asbestos, lead-based paint, mold

**APPLICANT:** City of Shelby, Montana  
112 1<sup>st</sup> St. So.  
Shelby, MT 59474

**PROJECT CONTACT:** Larry J. Bonderud, Mayor  
112 1<sup>st</sup> St. So.  
Shelby, MT 59474  
Phone: (406) 434-5222 Fax: (406) 434-2039  
E-mail: [larry@shelbymt.com](mailto:larry@shelbymt.com)

## **INTRODUCTION & BACKGROUND**

The historic Rainbow Hotel was built with the influx of oilmen seeking their fortunes in the Kevin-Sunburst oilfields in 1923. The hotel operated until the early 1990's, when economic times forced the closure of the lodging establishment. The building has remained vacant since that time.

The primary concern of the City of Shelby is the potential threat of direct contact with the identified hazardous substances on the property. The site is located on Main Street in Shelby. Direct contact could occur if persons, particularly younger people were to trespass onto the site and risk exposure to the identified contaminants.

Through the Phase II Environmental Site Assessment conducted in March of 2011, it was determined the property has characterized and delineated ACM, LBP and mold. ACM was observed at concentrations greater than the MDEQ standard of 1 percent in few areas of the hotel. LBP was identified in concentration exceeding the permissible EOA and HUD levels of 1 mg/cm<sup>2</sup> of surface area in a very few areas. Mold growth is widespread within the hotel.

## **APPLICABLE REGULATIONS AND CLEANUP STANDARDS**

The Historic Rainbow Hotel Project does not require property-specific determination as it is (a) not subject to a CERCLA planned or ongoing removal action; (b) not subject to unilateral administrative orders, a court order, an administrative order of consent, or a judicial consent decree; (c) not subject to corrective action under RCRA; (d) not a land disposal unit; (e) not a portion of a facility at which there has been a release of PCBs; and (f) not a portion of a LUST.

The project will be under the oversight of the Environmental Protection Agency – Region 8.

### Asbestos Laws and Regulations

Asbestos is regulated by the Asbestos Hazard Emergency Response Act (AHERA), the Toxic Substances Control Act (TSCA), and the Clean Air Act (CAA).

Asbestos inspections are required under Administrative Rules of Montana (ARM 17.74.354) to determine if ACM are present prior to scheduled renovation or demolition. Asbestos-containing material that poses a potential respiratory hazard is regulated ACM (RACM) and removal/disposal of RACM must comply with the requirements of the Asbestos National Emissions Standard for Hazardous Air Pollutants (Asbestos NESHAP Section 61.150; 40 CFR Chapter 61 Subpart M), and specifically those listed in 40 CFR Sections 61.140, 61.141, and 61.145 of Subpart M.

Further, to protect asbestos abatement workers all asbestos abatement work must be performed in accordance with Occupational Safety and Health Administration (OSHA) asbestos regulations as promulgated in Title 29 of the Code of Federal Regulations (29CFR), Section 1926.1101. All asbestos-related work in Montana must be conducted in compliance with the ARM, the Montana Code Annotated (MCA), and the Montana Asbestos Work Practices and Procedures Manual (Manual). The following work practice should be followed whenever demolition/renovation activities involving RACM occur:

- Notify EPA of intention to demolish/renovate,
- remove all RACM from a facility being demolished or renovated before any disruptive activity begins or before access to the material is precluded,
- keep RACM adequately wet before, during, and after removal operations,
- conduct demolition/renovation activities in a manner which produces no visible emissions to the outside air, and
- handle and dispose of all RACM in an approved manner (USEPA, 2006a; Asbestos/NESHAP Regulated Asbestos-Containing Materials Guidance. URL: <http://www.epa.gov/region04/air/asbestos/asbmatl.htm>).

#### Lead-Based Paint Laws and Regulations

Lead-based paint in pre-1978 housing and children-occupied buildings is regulated under the authority of the Toxic Substances and Control Act (TSCA; 15 U.S.C. 2601 et seq.) as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992, generally referred to as Title X (of The Housing and Community Act of 1992 - Public Law 102-550). Title X mandates the training, certification and licensing of lead-based paint abatement contractors, inspectors, risk assessors, and the training and certification of abatement workers and project designers. The Act also amended the Toxic Substances Control Act section 402 & 403. The provisions of Title X apply to residential buildings and child-occupied facilities. A proposed rule regarding lead-based paint activities in public and/or commercial buildings is under consideration by USEPA.

The USEPA issued a final rule regarding dangerous levels of lead in pre-1978 housing and children-occupied buildings on January 5, 2001 (40CFR Part 745). Under the new standards, lead is considered a hazard if there are greater than:

- 40 micrograms of lead in dust per square foot on floors;
- 250 micrograms of lead in dust per square foot on interior window sills and
- 400 parts per million (ppm) of lead in bare soil in children's play areas or 1200 ppm average for bare soil in the rest of the yard .

On April 8, 2004, USEPA published a final rule which established procedures to notify the Agency;

- 1) prior to commencement of lead-based paint abatement activities,
- 2) prior to providing lead-based paint activities training courses, and
- 3) following completion of lead-based paint activities training courses.

These requirements support the effort of 40 CFR part 745 subpart L to ensure that lead abatement professionals are trained and certified. The final notification rule is effective on May 10, 2004 (USEPA, 2006b; Training and Certification Program for Lead-Based Paint Activities in Target Housing and Child Occupied Facilities - Section 402/404 (TSCA) URL: <http://www.epa.gov/lead/pubs/leadcert.htm>.)

The Occupational Safety and Health Administration have published regulations regarding worker safety during activities involving LBP abatement. The Construction Standards (29 CFR Part 1926) and the Occupational Safety and Health Standards (29 CFR Part 1910) promulgate a permissible exposure limit for lead construction workers, including workers performing demolition, salvage, or renovation of lead-containing materials at sections 1926.62 and 1910.1025 as follows:

"The employer shall assure that no employee is exposed to lead at concentrations greater than fifty micrograms per cubic meter of air (50 ug/m(3)) averaged over an 8-hour period."  
(29 CFR 1926.62)

Additional regulations under these chapters address other worker safety precautions such as respiratory protection programs, work practices, and medical monitoring.

Lead-based paint debris (material containing or surfaced with lead-based-paint) from commercial buildings may be classified as hazardous waste if lead concentrations exceed the Toxicity Characteristic Rule (40 CFR 261.24, 40 CFR 262.11) concentration limit of 5.0 mg/L in sample extract prepared according to the Toxicity Characteristic Leaching Procedure, test Method 1311 in "Test Methods for Evaluating Solid Waste, Physical/Chemical Methods," EPA Publication SW-846.

### Mold Laws and Regulations

Under the Clean Air Act (CAA), EPA sets limits on certain air pollutants, including setting limits on how much can be in the air anywhere in the United States. The Clean Air Act also gives EPA the authority to limit emissions of air pollutants coming from sources like chemical plants, utilities, and steel mills. Individual states or tribes may have stronger air pollution laws, but they may not have weaker pollution limits than those set by EPA.

---

### **Mold**

Currently, there are no EPA regulations or standards for airborne mold contaminants. Indoor air



quality is a major concern to businesses, building managers, tenants, and employees because it can impact the health, comfort, well being, and productivity of building occupants.

- o Mold Remediation in Schools and Commercial Buildings: guidelines for the remediation/cleanup of mold and moisture problems in schools and commercial buildings. Includes measures designed to protect the health of building occupants and remediators.

## EVALUATION OF CLEANUP ALTERNATIVES

Reasonable Alternatives considered for the historic Rainbow Hotel cleanup include the No-Action Alternative, Alternative 2 - consisting of demolition of the building, and Alternative 3- consisting of removal/abatement of existing asbestos-containing material, lead-based paint and mold. The City of Shelby prefers Alternative 3 as the method of cleanup for the facility. A short summary of each of these alternatives is provided below:

1. Alternative One: No-Action. A no-action alternative would leave the building in its present condition, making it unusable and unavailable for renovation and occupation. The only advantages to no action at the site are those related to immediate avoidance of expenses that would be incurred by taking action. However, in the long term, expenses associated with no action may exceed those related to taking action at the present time. These potential long-term expenses could arise as a result of liability due to safety issues associated with the site in its current state, and also potential impacts to human health and the environment.
2. Alternative Two: Demolition. This option would address the potential threat to human health and safety by demolishing the building. In the short term, it would address the immediate threat but at a large expense.
3. Alternative Three: Abatement: Abatement of the building would eliminate the hazards involved with ACM, LBP and mold. Removal of ACM, LBP and mold would alleviate the need to manage the material under re-use options and would allow for any future renovation projects to proceed without any hazard analysis and further removal. Since the building is currently unoccupied, removal of the ACMs, LBP and mold could be performed without working around the public.

The objective of the historic Rainbow Hotel Brownfields Cleanup Project is to allow for reinvestment and re-use of this historic building in the hopes of private sector investment. Re-use of the building requires a reduction of potential health risks posed by the presence of hazardous

substances within the building. The following sections describe the three alternatives considered in terms of their effectiveness, feasibility of implementation, and costs with regard to achieving the project objective. Again, the City of Shelby prefers Alternative 3 for cleanup of the facility for the intended usage.

### **No-Action Alternative Analysis**

*Effectiveness:* The effectiveness of the No-Action alternative in achieving project goals would be negligible. The continued presence of ACM, LBP and mold in the building, as would be the case under the no-action alternative, would pose a long-term health risk to the public. Since such health risks have been determined to be unacceptable by the City of Shelby, thereby precluding use of the building, the no-action alternative would be highly ineffectual in achieving the goal of safe re-use of this building.

*Implementation:* Implementation of the No-Action alternative would be fairly straightforward. The Rainbow Hotel would be left in the current unused state. The identified substances would not pose a hazard unless the buildings were to become occupied, used by the public or entered illegally.

Transfer and/or lease of the property to other parties would require notification of the presence of ACM, LBP and mold, and institutional controls would be necessary to manage public exposure in those areas that contain the substances. These institutional controls would attach to property deeds and would require periodic inspection of areas of non-deteriorated substances and corrective action for any deterioration noted.

Under the No-action Alternative, if the Rainbow Hotel would remain unused for an extended period of time, dilapidation and potential vandalism would be threats to the integrity of the building unless it was maintained regularly. Damage from either of these potential trends is likely to increase the potential of damage from the other, reducing the value of the property.

*Cost:* Direct costs associated with the No-Action Alternative and associated non-use of the buildings would consist of ongoing building stabilization costs and costs to keep trespassers out.

### **Alternative 2 Analysis**

Alternative 2 would involve demolition of the building.

Effectiveness: Alternative 2 would be highly effective in eliminating the potential health hazards within the building.

Implementation: Implementation of Alternative 2 would be performed by certified contractors. The 13,860 square foot brick building would be demolished and land-filled at the Shelby Class II landfill which accepts hazardous materials.

Cost: The City of Shelby estimates an approximate cost of \$200,000 to complete demolition of the building and disposal at the permitted landfill (City of Shelby).

### **Alternative 3 Analysis**

Alternative 3 would abate ACM, LBP and mold in the historic Rainbow Hotel.

Effectiveness: Alternative 3 would be highly effective in achieving cleanup goals and re-use of the building. Abatement of all ACM, LBP and mold would alleviate the need for management and maintenance of areas containing these substances. Any renovation projects could proceed without the need for further inspection and/or abatement.

Implementation: Implementation of Alternative 3 would be performed by certified asbestos, lead and mold abatement contractors.

Also similar to Alternative 2, all LBP-containing doors, windows, and associated trim and also baseboard and chair rails would also be removed and disposed of at a permitted landfill (City of Shelby) that accepts LBP debris. Additionally, approximately 10,000 square feet of LBP-containing wall material would be removed. These wall areas are predominantly composed of plaster.

No institutional controls for future property transfer or use would be necessary under Alternative 3. Since complete abatement of ACM and LBP would be effected under this alternative, no potential health-related hazards or risks would be present in the building.

Cost: URS Operating Services, Inc. conducted the Phase II Environmental Site Assessment on the historic Rainbow Hotel. The report included an estimate for removal of asbestos, lead based paint and mold. The following is the estimated costs:

- Asbestos Abatement: \$66,672.13
- LBP Abatement: \$43,204.80
- Mold Abatement; \$568,711.27

Using these rough assumptions, the total cost for Alternative 3 would be \$678,588.20. This estimate includes the cost of hauling and disposal at a permitted landfill (City of Shelby) which would be the match requirement of the City of Shelby. This is estimated at approximately \$41,000.00.

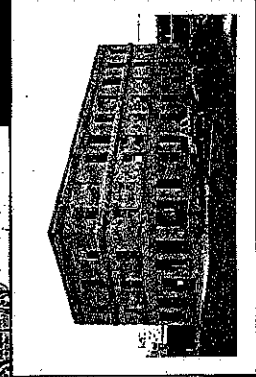
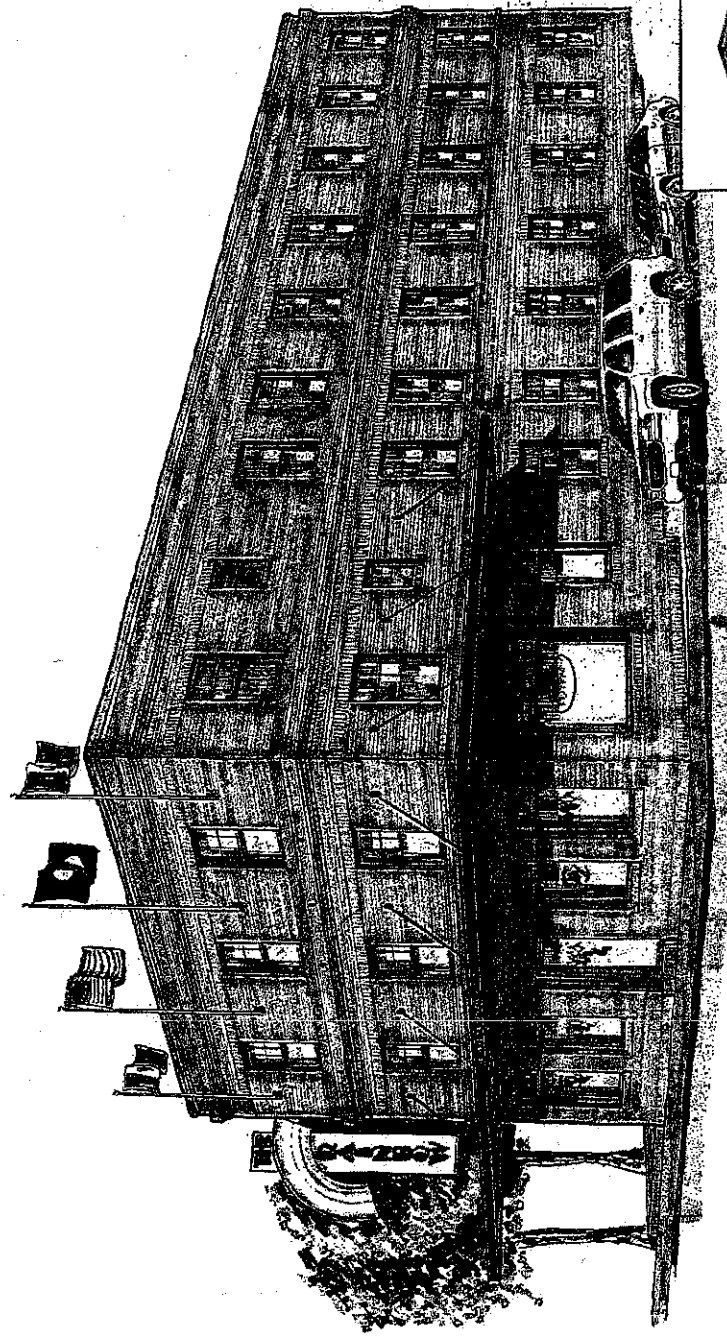
## **AUTHORIZATION**

The City of Shelby, as a government entity is authorized under CERCLA 104(k) to perform cleanup activities at the Rainbow Hotel site as owner of the property. The site is eligible as it is not listed or proposed for listing on the National Priorities List. It is not subject to unilateral administrative orders, court orders, administrative orders on consent, or judicial consent decrees issued to or entered into by parties under CERCLA. It is not subject to the jurisdiction custody, or control of the United States government.

As previously described in the site information, hazardous substances are present within the building. An ASTM Phase I Site Assessment and Targeted Brownfields Assessment have quantified the asbestos, lead-based paints and mold substances found within the building. The City of Shelby will contract for consulting services on the project.

The Brownfields Cleanup will conform to all applicable Federal and State laws. Certified contractors will be used to perform all abatement activities.

# CITY OF SHELBY, MONTANA NEXT STEPS PLAN FOR DOWNTOWN DEVELOPMENT



August 2008

## Redevelopment Case Study #2: The Rainbow Hotel

The Rainbow Hotel is a key landmark building along Shelby's Main Street. It is a three story building; with the top story added to accommodate visitors during the Dempsey-Gibbons fight in 1922. The building has been in empty and in decline for several years. In response to worries about the safety and stability of the structure, the City had an engineer look at the building to ascertain its structural condition. Although the building's physical condition is such that it would have to be completely gutted, the foundation and structure are extremely stable -- making it a good candidate for redevelopment.

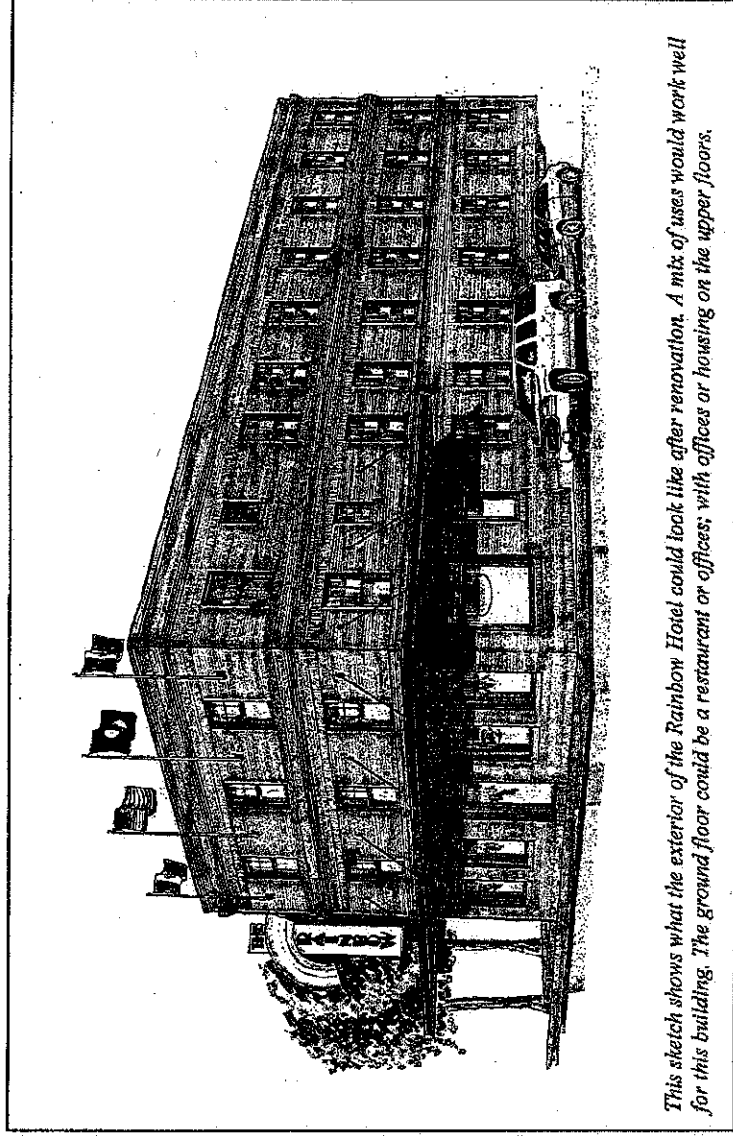
Much like the old County Court House, the Rainbow Hotel building represents an earlier era than many of the other buildings on Main Street -- and as such it should be renovated in a manner that keeps it true to it's original design rather than dressing it up as something it isn't. The Rainbow is a large building; making its own statement on Main Street.

The plan and perspective sketches show a bar and restaurant on the ground floor, with all the activity (the dining and bar areas) placed where they can be viewed from the adjoining streets, and the patrons inside can be entertained by the street scene outside, or perhaps just the

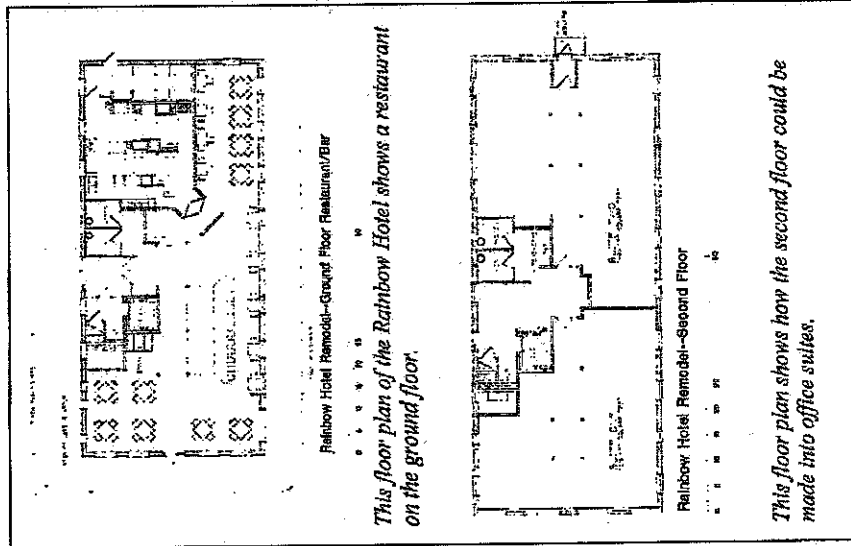
weather. Support functions and the kitchen are located off the alley and the back of the parking area.

A marquee has been wrapped around the south end of the building, beginning a few feet down 4th Street, across the Main Street facade, and about half way down the west elevation, adjacent to the proposed parking. The marquee itself could be quite simple and straightforward; constructed of wide-flange steel beams, with exposed rivets at the joints. Beneath the painted web of

marquee beams would be a potential location for simple, elegant, and understated signage. The marquee, unlike some illustrated for other locations around town, would not try to incorporate Art Deco design elements into the facade. It would be deep enough to shade the south and west facade faces, allowing people to sit inside at these locations without heat and glare. On the west elevation, the marquee would help define a new primary entry for the building and encourage outdoor use of a



*This sketch shows what the exterior of the Rainbow Hotel could look like after renovation. A mix of uses would work well for this building. The ground floor could be a restaurant or offices; with offices or housing on the upper floors.*



possible small plaza to the west of the building between the parking and the structure, for outdoor dining on nice days.

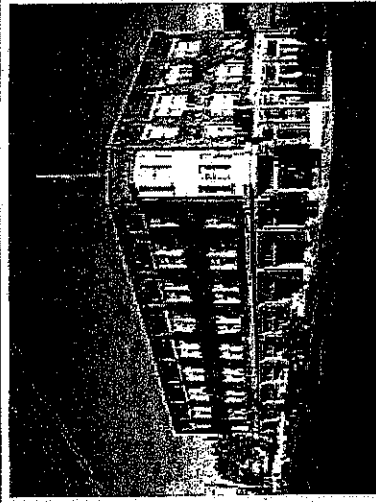
In the rendering, the signage has been shown where it is for the sake of the illustration, but more properly, it should be located on the corner of 4th Avenue and Main. The word 'Hotel' is left off of the sign, so that 'The Rainbow' becomes an

'address' or destination in its own right. The name, upbeat and optimistic, is perfect for Shelby, and finally, we can let a little Art Deco creep back in with the typeface chosen for the signage, and enliven it with neon. At the street level, a little Art Deco could also slip into the picture with designs etched into the plate glass windows, for example.

To emphasize and extend the height of the building, four flagpoles are shown mounted to the face of the structure. The two center poles, a little taller than the others, would fly the American and Montana flags, while the other two could fly anything, but we show Canadian flags—a subtle way of saying "international city" or "crossroads of North America", and that Shelby is here and open in every respect.

Redevelopment examples that could be applied to the Rainbow Hotel include the Hotel Condon in Condon, Oregon (pop. 729) and the Brooks Building in downtown Lewistown, Montana (see photos, left and on the page 20).

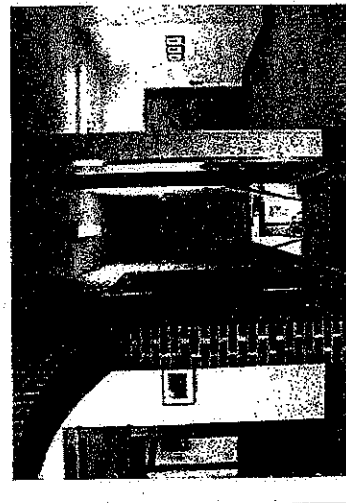
The Hotel Condon was a vacant and dilapidated 'white elephant' in the downtown core of this small farming community in central Oregon. The community put together a local Limited Liability Corporation and redeveloped the structure into a boutique hotel with the lobby and a nice restaurant on the ground floor; with hotel suites above. The



*Redeveloped Hotel Condon in Condon, Oregon.*



*The restaurant in the rehabbed Hotel Condon.*



*Example of rehabbed upper floor offices in Lewistown's Brooks Building.*

ground floor restaurant, like that in the Hotel Condon, would be a good fit for the main floor in a renovated 'Rainbow'

Market data indicates more than \$2 million dollars per year in full-service restaurant sales are leaking out of Shelby each year.

The upper floors of the 'Rainbow' could be redeveloped into offices similar to those in the Brooks Building in downtown Lewistown. The office suites were so popular they were filled before the ground floor retail space.

For Shelby, the thought was to combine the concepts of Condon and Lewistown by putting a nice restaurant on the ground floor and energy related offices (creating a nice energy cluster) on the second and third floors. Along with the Hannah-Holmes Building, the Rainbow Hotel is an important catalyst for downtown redevelopment.

### Rainbow Hotel Financial Analysis

The Rainbow Hotel is a unique building that could be renovated to meet some unique needs. Market demand for a restaurant is strong in Shelby and there is a potential, yet untested market for office units in the upper floors. Despite some recent pullbacks in the regional demand, office space could still prove a primary consideration in Shelby's development

patterns. There are some key components that make this project worth considering further:

- The building is structurally sound (per recent engineering study).
- The building could qualify for historic tax credits which would add further incentive (and make up much of the valuation or return on equity gap).
- The building is an important architectural anchor and landmark for Shelby.
- There are known market factors for the right type of restaurant and office space that would make the Rainbow Hotel the right fit.

The purpose of this narrative is not to downplay the difficulties of such an undertaking but to illustrate that, with the right partners and incentives, it is quite possible. Under this current financial picture, the rental rates (at market) and anticipated rent for the restaurant space don't give a significant valuation gap but the return is only 4%. In order to make up this difference, the most likely scenario would be utilization of tax credits. For the current uses shown, all of the tax credit would apply (the use is 100% commercial) and are transferable to a new owner, provided the entire credit has not been used. (Refer to IRS Code, 36 CFR 67 for details.)

### Financial Feasibility: Rainbow Hotel

<b>Development Costs</b>	
Site Acquisition	\$30,000
Construction	850,000
Construction Loan Int.	80,750
Soft Costs	105,000
Developer's Profit	0
Total Costs	\$1,065,750
<b>Annual Office Cash Flow</b>	
Office Income (NNN)	\$59,686
<b>Annual Cash Flow</b>	
Retail	\$29,843
Office	\$59,686
Operating (less)	\$10,000
Net Income	\$89,529
<b>Debt Service</b>	
Net Income after D.S.	\$71,623
	\$17,906
<b>Permanent Loan</b>	
Equity Required	\$632,227
As Percent of Cost	433,523
Return on Equity	41%
Capitalized Value	4.1%
As Percent of Cost	\$1,119,113
Valuation Gap	105.0%
As Percent of Cost	\$53,363
	-5.0%
Target return	10.00%
Per S.F. rent needed to achieve target return	\$14.50



# Application for Federal Assistance SF-424

## \* 1. Type of Submission:

- ☐ Preapplication  
☒ Application  
☐ Changed/Corrected Application

## \* 2. Type of Application:

- ☒ New  
☐ Continuation  
☐ Revision

## \* If Revision, select appropriate letter(s):

## \* Other (Specify):

## \* 3. Date Received:

11/23/2011

## 4. Applicant Identifier:

## 5a. Federal Entity Identifier:

## 5b. Federal Award Identifier:

## State Use Only:

## 6. Date Received by State:

## 7. State Application Identifier:

## 8. APPLICANT INFORMATION:

### \* a. Legal Name:

City of Shelby, Montana

### \* b. Employer/Taxpayer Identification Number (EIN/TIN):

81-6001308

### \* c. Organizational DUNS:

0987086880000

## d. Address:

### \* Street1:

112 1st So.

### Street2:

### \* City:

Shelby

### County/Parish:

Toole County

### \* State:

MT: Montana

### Province:

### \* Country:

USA: UNITED STATES

### \* Zip / Postal Code:

59474-2306

## e. Organizational Unit:

### Department Name:

### Division Name:

## f. Name and contact information of person to be contacted on matters involving this application:

### Prefix:

### \* First Name:

Larry

### Middle Name:

### \* Last Name:

Bonderud

### Suffix:

### Title:

Mayor, City of Shelby, Montana

## Organizational Affiliation:

### \* Telephone Number:

(406) 434-5222

### Fax Number:

(406) 434-2039

### \* Email:

larry@shelbymt.com

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

**Type of Applicant 2: Select Applicant Type:**

**Type of Applicant 3: Select Applicant Type:**

**\* Other (specify):**

**\* 10. Name of Federal Agency:**

Environmental Protection Agency

**11. Catalog of Federal Domestic Assistance Number:**

66.818

**CFDA Title:**

Brownfields Assessment and Cleanup Cooperative Agreements

**\* 12. Funding Opportunity Number:**

EPA-OSWER-OBLR-11-07

**\* Title:**

Proposal Guidelines for Brownfields Cleanup Grants

**13. Competition Identification Number:**

**Title:**

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

The City of Shelby is seeking Brownfield's Cleanup Grant funding to address the hazardous substances in the historic Rainbow Hotel.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424****16. Congressional Districts Of:**

\* a. Applicant

MT 1

b. Program/Project

MT 1

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**

\* a. Start Date:

03/01/2012

\* b. End Date:

02/28/2014

**18. Estimated Funding (\$):**

* a. Federal	200,000.00
* b. Applicant	41,000.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	241,000.00

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**☐ a. This application was made available to the State under the Executive Order 12372 Process for review on☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.☒ c. Program is not covered by E.O. 12372.**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**☐ Yes☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☒ \*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:

\* First Name: Larry

Middle Name: James

\* Last Name: Bonderud

Suffix:

\* Title: Mayor, City of Shelby, Montana

\* Telephone Number: (406) 434-5222

Fax Number: (406) 434-2039

\* Email: larry@shelbymt.com

\* Signature of Authorized Representative: Loretta Carter

\* Date Signed:

11/23/2011

# BUDGET INFORMATION - Non-Construction Programs

## SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Task 1: Engineering Oversight & Reporting	66.818	\$ 20,000.00	\$ 0.00	\$	\$	\$ 20,000.00
2. Task 2: Asbestos Abatement	66.818	24,000.00	3,000.00			27,000.00
3. Task 3: Lead-based Paint Abatement	66.818	16,000.00	1,000.00			17,000.00
4. Task 4: Mold Corrective Action	66.818	140,000.00	37,000.00			177,000.00
5. Totals		\$ 200,000.00	\$ 41,000.00	\$	\$	\$ 241,000.00

# SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1) Task 1: Engineering Oversight & Reporting	(2) Task 2: Asbestos Abatement	(3) Task 3: Lead-based Paint Abatement	(4) Task 4: Mold Corrective Action	
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction	20,000.00	24,000.00	16,000.00	140,000.00	200,000.00
h. Other	0.00	3,000.00	1,000.00	37,000.00	41,000.00
i. Total Direct Charges (sum of 6a-6h)	20,000.00	27,000.00	17,000.00	177,000.00	241,000.00
j. Indirect Charges					
k. TOTALS (sum of 6i and 6j)	\$ 20,000.00	\$ 27,000.00	\$ 17,000.00	\$ 177,000.00	\$ 241,000.00
7. Program Income	\$	\$	\$	\$	\$

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Prescribed by OMB (Circular A -102) Page 1A

SECTION C - NON-FEDERAL RESOURCES						
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS		
8. Task 1: Engineering Oversight & Reporting	\$		\$ 0.00	\$	0.00	\$ 0.00
9. Task 2: Asbestos Abatement-	3,000.00					3,000.00
10. Task 3: Lead-based Paint Abatement	1,000.00					1,000.00
11. Task 4: Mold Corrective Action	37,000.00					37,000.00
12. TOTAL (sum of lines 8-11)	\$ 41,000.00	\$	\$	\$		\$ 41,000.00

SECTION D - FORECASTED CASH NEEDS				
Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal \$ 200,000.00	\$ 20,000.00	\$ 100,000.00	\$ 80,000.00	\$
14. Non-Federal \$ 41,000.00		\$ 35,000.00	\$ 6,000.00	
15. TOTAL (sum of lines 13 and 14) \$ 241,000.00	\$ 20,000.00	\$ 135,000.00	\$ 86,000.00	\$

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT				
(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. Task 2: Asbestos Abatement	\$	\$	\$	\$
17. Task 3: Lead-based Paint Abatement				
18. Task 4: Mold Corrective Action				
19.				
20. TOTAL (sum of lines 16 - 19)	\$	\$	\$	\$

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges:	22. Indirect Charges:
23. Remarks:	

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## Other Attachment File(s)

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\* Mandatory Other Attachment Filename: Rainbow Hotel Brownfields Ranking Criteria.doc

Add Mandatory Other Attachment

Delete Mandatory Other Attachment

View Mandatory Other Attachment

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To add more "Other Attachment" attachments, please use the attachment buttons below.

Add Optional Other Attachment

Delete Optional Other Attachment

View Optional Other Attachment

Close Form

## Project Narrative File(s)

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\* Mandatory Project Narrative File Filename: Rainbow Hotel Brownfields Ranking Criteria.doc

Add Mandatory Project Narrative File

Delete Mandatory Project Narrative File

View Mandatory Project Narrative File

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To add more Project Narrative File attachments, please use the attachment buttons below.

Add Optional Project Narrative File

Delete Optional Project Narrative File

View Optional Project Narrative File



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2. Form SF424A-V1.0.pdf (size 37607 bytes)
3. Form Other-V1.1.pdf (size 25604 bytes)
4. Form Project-V1.1.pdf (size 26023 bytes)

Attachments Included in Zip File (total 18):

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application/msword (size 57344 bytes)
2. OtherNarrativeAttachments OtherNarrativeAttachments-Attachments-1234-Rainbow  
Hotel Brownfields Ranking Criteria.doc application/msword (size 82432 bytes)
3. ProjectNarrativeAttachments  
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